

## CHAPTER 11 ADMINISTRATIVE GUIDELINES

As Revised  
July 01, 2002

United States Bankruptcy Administrator's Office  
Eastern District of North Carolina  
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Wilson, North Carolina 27895-3758  
(252) 237-6854

## Chapter 11 Administrative Guidelines

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## **CHAPTER 11 ADMINISTRATIVE GUIDELINES**

### **I. ADMINISTRATION OF ESTATES**

#### **Main Office:**

The Bankruptcy Administrator's main office is located at 1800 Parkwood Boulevard, Suite F, Wilson, North Carolina. The mailing address is: Bankruptcy Administrator's Office, Eastern District of North Carolina, Post Office Box 3758, Wilson, North Carolina 27895-3758. The telephone number to this office is 252-237-6854.

#### **Raleigh Divisional Office:**

The Bankruptcy Administrator's divisional office is located at 300 Fayetteville Street Mall, Fourth Floor Room 416, Raleigh, North Carolina. The mailing address is : Bankruptcy Administrator's Office, Eastern District of North Carolina, Post Office Box 3039, Raleigh, North Carolina 27602-3039. The telephone number to this office is 919-856-4886.

This guide discusses basic aspects of the administration of a Chapter 11 case. The purpose of this guide is to familiarize debtors and their counsel with the duties and responsibilities of the debtor in possession. This should not be considered an exhaustive list of duties and obligations. This guide provides an overview of duties imposed on the debtor. If the debtor should fail to comply with these requirements, it could result in the dismissal or conversion of the case. This information is not a substitute for counsel becoming familiar with the applicable provisions of the U.S. Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Bankruptcy Rules.

### **II. ROLE OF THE BANKRUPTCY ADMINISTRATOR**

Pursuant to §302(d)(3)(I)(ii) of the Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986, the Bankruptcy Administrator is responsible for supervising the administration of Chapter 11 estates. This responsibility is performed by ensuring that the debtor in possession is complying with the requirements set forth in Local Bankruptcy Rule No. 4002-1(b), and any other requirements ordered by the court or prescribed by the Bankruptcy Administrator.

### **III. ORDER AUTHORIZING OPERATION OF BUSINESS**

Immediately after the filing of a voluntary Chapter 11 petition, the court will enter an Order Regarding Administration of Estate requiring the debtor to comply with Local Bankruptcy Rule No. 4002-1(b), including the reporting requirements prescribed by the Bankruptcy Administrator and any other requirements as may be ordered by the court. **(See Exhibit A)**

#### **IV. DUTIES OF CHAPTER 11 DEBTOR IN POSSESSION AND LOCAL BANKRUPTCY RULE NO. 4002-1(b)**

Pursuant to Local Bankruptcy Rule 4002-1(b), the duties of the debtor in possession include the following:

(1) THE DEBTOR SHALL:

(A) MONTHLY REPORT: file monthly accountings with the U. S. Bankruptcy Court, with a copy to the Bankruptcy Administrator<sup>1</sup>, the first report being due within 30 days after the filing of the petition and subsequent reports on or before the 15th day of each month thereafter. The debtor shall serve a copy of all monthly reports on the attorney and the chairman for the unsecured creditors' committee. Such report shall provide the following information:

1. beginning and ending balance in all accounts;
2. receipts from all sources;
3. disbursements by category, including the amounts and dates of deduction and payment of federal and state taxes;
4. indebtedness incurred and unpaid and contractual and other obligations assumed;
5. beginning and ending inventory; and
6. in the Bankruptcy Administrator's copy only, copies of all bank statements covered by any report

COMMENTS:

The original monthly report is filed with the U. S. Bankruptcy Court with a copy provided to the Bankruptcy Administrator. The debtor shall serve a copy of the monthly report on the attorney and chairperson of the unsecured creditors' committee and any other parties requesting a copy. The copy that is served on the Bankruptcy Administrator shall contain copies of the bank statements for each account of the debtor. Monthly reports are reviewed by the Bankruptcy Administrator to determine if the debtor is in compliance with the Order Authorizing Operation of Business, if the debtor is operating a profitable business and if the debtor is paying any unauthorized expenses.

The monthly report shall be prepared in one of three formats prescribed by the Bankruptcy Administrator:

- 1) Individual Debtor Form;
  - 2) Corporate Debtor Form;
  - 3) Individual Operating a Business as a Partnership or Sole Proprietorship Form.
- (See Exhibits B, C and D)

During the Intake Conference, the Bankruptcy Administrator will identify which form the Debtor shall use during the course of the Chapter 11.

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<sup>1</sup>The published rule states monthly reports are to be filed with the Bankruptcy Administrator, but in order to make them available to the public by way of images on the Clerk's Website, an agreement has been made to send the originals to the Court with a copy to the Bankruptcy Administrator.

(B) BOOKS OF ACCOUNT: close the present books of account as of the close of business on the petition date and shall open new books of account and bank accounts in a court approved depository as of the opening of business on the next succeeding business day. In the new books of account, the debtor shall keep proper records of earnings, expenses, receipts and disbursements, and all obligations incurred and business transactions. The debtor shall preserve proper vouchers for all payments made on account of the disbursements. If the debtor is authorized to use "cash collateral," separate "cash collateral" accounts must be established and maintained pursuant to 11 U.S.C. §363(c)(4).

COMMENTS:

The filing of a bankruptcy creates a bankruptcy estate. It is essential that prepetition activities and postpetition activities involving the debtor in possession's estate be properly separated. On the date of filing a Chapter 11 petition, the debtor shall **close** all prepetition books of account and records. New books of account and records shall be opened by the debtor, as debtor in possession. **This procedure ensures that a "bright line" is established between debtor's prepetition financial books of account and postpetition books of accounts.** Contemporaneously, all prepetition bank accounts are to be closed as of the date of the filing of the petition and new bank accounts opened. At a minimum, the new accounts should consist of a general/operating and a payroll/tax account. The debtor's new bank signature cards shall indicate that the debtor is a "Chapter 11 debtor in possession." The debtor's checks do not need to show this information. The debtor shall provide the Bankruptcy Administrator written notification and proof of the establishment of new debtor in possession bank accounts and the closing of prepetition accounts, along with copies of the signature cards for each DIP account, within ten days of the filing of the petition. See "Banking Institutions" paragraph C.

(C) BANKING INSTITUTIONS: advise the Bankruptcy Administrator within ten (10) days of the filing of the petition, of the name of the bank to be used as the debtor's depository.

COMMENTS:

A debtor in possession shall comply with the provisions of 11 U.S.C. §345 and Local Bankruptcy Rule 2070-1 regarding the deposit or investment of estate monies. Verification of all estate funds on deposit shall be provided to the Bankruptcy Administrator within three (3) days of the initial deposit in accordance with the Deposit Report Form prescribed by the Bankruptcy Administrator. **(See Exhibit E).** The debtor shall notify the Bankruptcy Administrator immediately if the amount on deposit exceeds one hundred thousand dollars (\$100,000.00).

(D) TAX ACCOUNTS: segregate and hold separate from all other funds, all monies withheld from employees or collected from others for taxes, including social security taxes, under any law of the United States or any state or subdivision thereof. The debtor shall deposit the funds so withheld or collected, together with the debtor's share of social security taxes in a separate bank account simultaneously with the collection or withholding. The debtor shall pay from the bank account to the appropriate taxing authority the amounts due at the times and in the manner prescribed by law.

COMMENTS:

The monthly reports are reviewed to ensure that separate tax accounts have been established and that postpetition taxes are being withheld and paid on a timely basis. In some instances, the establishment of separate tax accounts may be waived if suitable alternate mechanisms for timely payment of taxes are implemented.

(E) **PROOF OF INSURANCE COVERAGE:** keep the property of the debtor insured in a manner and to the extent as may be deemed necessary and prudent with loss payable clauses, in the case of pledged or mortgaged property in favor of the appropriate secured creditors as their interests may appear. Within five (5) days of the filing of the petition, debtor shall file a verified statement or written evidence that worker's compensation, general liability, fire, theft, and motor vehicle insurance are in full force and effect, together with all other insurance coverages normally used in the debtor's operations.

**COMMENTS:**

**Within five (5) days of filing the voluntary petition** the debtor shall verify that all insurance on estate property is in full force and effect and provide the Bankruptcy Administrator with a legible copy of the declaration page for each policy that discloses the type, nature, extent of coverage and expiration date. The amount of insurance shall be at least the fair market value of the property to be insured. The debtor should notify the Bankruptcy Administrator in writing immediately upon any lapse, cancellation or proposed cancellation of any such insurance coverage.

(F) **FILING OF PLAN AND DISCLOSURE STATEMENT:** file a plan of reorganization and a disclosure statement within 120 days of the filing of the petition commencing the case or within any other such time as the court shall require, unless otherwise ordered.

**COMMENTS:**

The Bankruptcy Administrator monitors the filing of disclosure statements and plans. Unless the case is designated by the court for accelerated treatment (See Part VII below), the debtor is required by Local Bankruptcy Rule No. 4002-1(b)(1)(F) to file a disclosure statement and plan of reorganization within 120 days of the petition date.

(G) **PHYSICAL INVENTORY:** procure a physical inventory, if applicable, upon the filing of the petition and file the inventory with the Bankruptcy Administrator within thirty (30) days of the filing of the petition or such other time as the court may direct.

**COMMENTS:**

The inventory shall include an itemized statement disclosing the value of the inventory at the debtor's cost unless a different basis for valuation is permitted.

(H) **PROJECTED OPERATING STATEMENT:** file with the Bankruptcy Administrator within ten (10) working days of the filing of the petition commencing the case a projected operating statement for the next thirty (30) days of operation under a Chapter 11. The statement must contain:

a. the estimated costs of operation for the next succeeding thirty (30) days:

- b. the estimated profit or loss for the period;
  - c. the amount of cash available for the operation;
  - d. how the debtor intends to fund the cost of operation for the next thirty (30) days; and
  - e. any other additional information that is pertinent to determine the desirability of continuing the debtor's business.
- (I) JUDICIAL CONFERENCE QUARTERLY FEES: pay to the Clerk, United States Bankruptcy Court, quarterly fees as calculated pursuant to 28 U.S.C. §1930 within 30 days of the end of the calendar quarter. **(Exhibit F)**

#### COMMENTS:

All Chapter11 cases filed on or after April 1, 2002 are subject to the assessment of the Judicial Conference Quarterly Fee. This fee must be paid to the clerk for every calendar quarter, beginning with the end of the first calendar quarter following the filing date. (Cases pending even one day during a quarter are subject to the fee.) The debtor is responsible for the full and prompt payment of this fee. The quarterly fee is calculated on the dollar value of ***all disbursements*** made during the calendar quarter. Disbursements include payments to secured creditors as adequate protection, payments to lessors and post-petition operating expenses. A minimum fee of \$250.00 is due each quarter even if no disbursements are made during that quarter. Pre-confirmation quarterly fees must be paid in full by the effective date of the plan or the plan may not be confirmed by the court. Fees will also be assessed against all disbursements after plan confirmation. It is the debtor's independent duty to ensure that all quarterly fees due are paid on or before the due date. There will be no bill or notice sent. Failure to pay the quarterly fees will result in the filing of a motion to dismiss or convert the case by the Bankruptcy Administrator. **(See Exhibit F)**

- (J) RELATIONSHIP WITH SECURED CREDITORS AND UNSECURED CREDITORS COMMITTEE: promptly respond to reasonable inquiries of secured creditors, the unsecured creditors committee, and any court appointed consultant.

#### (2) THE DEBTOR SHALL NOT:

- (A) PAYMENT TO PRINCIPALS: prior to confirmation of a plan of reorganization, compensate or remunerate itself, or any of its partners, officers, directors or shareholders in any manner without prior approval of the court. Any application for approval of compensation shall set forth the name and proposed position of the individual sought to be employed along with a detailed description of the duties the individual is to perform, the number of hours each week the individual will devote to those duties and the reasons why employment of the individual is necessary to the successful reorganization of the debtor. Also, the application shall set forth the amount of compensation sought on a weekly or monthly basis and disclose all perquisites, benefits and consideration of any kind the individual is to receive, e.g. use of company vehicles, payment of life or health insurance premiums, reimbursement of expenses. The salary history of the individual for the year immediately preceding the filing of the petition shall be disclosed. The application shall be signed under oath.
- (B) PAYMENT OF PRE-PETITION DEBT: pay pre-petition unsecured debt without approval of the court.



## **FINAL COMMENTS REGARDING DEBTOR'S OBLIGATIONS UNDER OPERATING ORDER AND LOCAL BANKRUPTCY RULE 4002-1(b)**

**In cases of noncompliance with the Order Authorizing Operation of Business or this local rule, the Bankruptcy Administrator will file a motion to dismiss or convert to a case under Chapter 7 or seek other appropriate relief. (See Exhibit R)**

### **V. MONTHLY REPORTS**

Attached as Exhibits B, C and D are the Chapter 11 monthly report forms that **are required to be used** in all cases under Chapter 11 in the Eastern District of North Carolina. If there are any questions concerning the preparation or use of these Chapter 11 monthly report forms, please contact the Bankruptcy Administrator's office.

***Every monthly report MUST include the information requested under Section I: Summary of Business Operations; Section II: Summary of Chapter 11 Activities; and Part A: Certifications.*** With respect to Section III, Parts "A" through "J", you shall indicate with a "✓" on the first page of the monthly report which attachments are included. **Note that the applicability of Attachments "B" through "J" will depend on the nature of the Chapter 11 case.** For example, Attachment: Part B is tailored specifically for reporting individual debtor income and disbursements including a bank reconciliation. The remaining attachments shall be filed by individual debtors, sole proprietorships, partnerships and corporations as applicable. If at any point the debtor has questions concerning the format or content, the debtor is encouraged to contact the Bankruptcy Administrator's office. (The monthly report will be reviewed with the debtor and debtor's counsel at the Initial Intake Conference. See Part VI below.)

The Bankruptcy Administrator understands that the standardized form will not be the appropriate tool to use in every case. In cases where the debtor-in-possession or trustee feels that this form is inappropriate, the party must make a formal request to the Bankruptcy Administrator's office in writing for modification of the format. The request shall include a copy of the proposed format for review. If the request is denied, the party can only modify the form with the approval of the Court after notice and hearing. **Chapter 11 monthly reports which do not follow the prescribed format will be deemed incomplete and subject to further action by the Bankruptcy Administrator.**

### **VI. INTAKE CONFERENCES AND SITE VISITS BY BANKRUPTCY ADMINISTRATOR**

A. Initial Interview or Intake Conference: The debtor is required to attend an Initial Intake Conference with the staff of the Bankruptcy Administrator's office. The purpose of this interview is to review the Order Regarding Administration of Estate, debtor-in-possession obligations, tax returns of the debtor, financial statements of the debtor, and the pre- and post-petition books and records of the debtor. For a more detailed explanation of the Initial Interview see **Exhibit G**.

B. Site Visit: The Bankruptcy Administrator or a representative will, if circumstances warrant, conduct site visits of debtors engaged in business. The purpose of the visit will be to acquaint debtors with the expectations of the Bankruptcy Administrator and the court in such matters as the timely and accurate completion of monthly reports and compliance with the operating order (Local Rule 4002-1). A representative of the Bankruptcy Administrator's office will tour the debtor's business, review books and records and meet with officers. Counsel for the debtor will be notified in advance of the site visit and every attempt will be made to arrange visits at a

mutually convenient time. A more detailed explanation of criteria and procedures applicable to site visits is attached to this booklet as **Exhibit H**.

## **VII. STATUS CONFERENCES AND §105(d)(2) ORDERS**

At the inception of every Chapter 11 case, the clerk will schedule a telephone status conference with the judge, counsel for the debtor and the Bankruptcy Administrator. At the status conference, counsel shall be prepared to give a brief overview of the debtor's business and the appropriate time frame for filing the plan and disclosure statement, among other things.

Following the status conference, the court may enter an order (1) setting a date by which the debtor must file a disclosure statement and plan as well as a date by which the debtor shall solicit acceptances to the plan, and (2) providing that the hearing on approval of the disclosure statement is combined with the hearing on confirmation. See 11 U.S.C. §105(d)(2)(B).

## **VIII. SMALL BUSINESS DESIGNATION**

Debtors meeting the definition of a "small business" under §101(51C) may elect to be subject to the small business treatment provisions under Chapter 11. In addition, in a "small business case" the debtor or another party in interest may request that there be no creditors' committee appointed in the case. The court may allow that request for cause. See §1102(a)(3). (For information on creditors' committees, their appointment and formation, please refer to Section IX of these Guidelines.)

## **IX. PROCEDURES FOR FORMATION AND APPOINTMENT OF COMMITTEES**

The debtor must file a list of the debtor's twenty largest unsecured creditors, excluding insiders as defined in 11 U.S.C. §101(30), with the Clerk of Court at the time the debtor's petition is filed. (Local Bankruptcy Rule No. 1007-1(b))

The Bankruptcy Administrator will serve an informational memorandum and ballot on the entities listed on the debtor's list of twenty largest unsecured creditors. (**See Exhibit I**) This memorandum informs the creditors of their eligibility to serve on a creditors' committee to be appointed in the bankruptcy proceeding. Creditors are asked to indicate their interest on the ballot provided. If three or more affirmative responses are received, the Bankruptcy Administrator will file with the court a recommendation that these creditors be appointed to an unsecured creditors' committee. The number of persons appointed to serve on the committee may be more or less than the seven persons set forth in 11 U.S.C. §1102(b)(1). While the Bankruptcy Administrator submits the names of the persons to be appointed to the committee, the court will make the final decision regarding appointment of the committee and its membership. Any objections to committee formation or membership must be raised by a party in interest at the time the court enters its order.

Additional committees may be appointed on motion of the Bankruptcy Administrator, another party in interest or on the court's own motion. See 11 U.S.C. §1102(a)(2).

## **X. MEETING OF UNSECURED CREDITORS' COMMITTEE AND FIRST MEETING OF CREDITORS**

The Bankruptcy Administrator or designee presides at the organizational meeting of the unsecured creditors committee and conducts the so-called "first meeting of creditors" pursuant to 11 U.S.C. §341. **The debtor shall be prepared to summarize the debtor's transactions since the filing of the petition and to address matters relating to the debtor's compliance with Local Bankruptcy Rule No. 4002-1(b).** The debtor should also be prepared to respond to reasonable questioning by creditors in attendance.

## **XI. INSPECTION OF PROPERTY AND RECORDS**

The debtor is required to permit the Bankruptcy Administrator or designee to inspect the debtor's business premises, properties, books of account and records.

## **XII. RETAINERS**

The receipt of a pre-petition retainer by debtor's counsel is acceptable in the Eastern District of North Carolina. However, pre-petition retainers paid by the debtor for work to be performed post-petition must be deposited into the counsel's trust account and full disclosure of the receipt of the retainer, the amount of the retainer, where the retainer has been deposited, and the nature of any agreement between the debtor and counsel as to the application of the retainer is required. No disbursements from counsel's trust account may be made until such time as counsel's fees have been approved by the court and the disbursement of funds held by counsel is allowed. Non-refundable retainers are not permitted in bankruptcy cases in the Eastern District of North Carolina.

## **XIII. EMPLOYMENT AND COMPENSATION OF PROFESSIONALS**

Employment and compensation of professionals is governed by 11 U.S.C. §§ 327 through 331 and Bankruptcy Rules 2014, 2016, and 2017. Attached as **Exhibit J** is "BA's Guidelines for Professional Compensation." The guidelines should be followed closely or the professionals seeking compensation risk objection to the compensation and reimbursement sought. Attached as **Exhibit K** is a checklist of items that must be addressed in applications for employment of professionals.

## **XIV. DISCLOSURE STATEMENT - 11 U.S.C. §1125(a)**

A. A court approved disclosure statement must accompany any plan proposed to the creditors. 11 U.S.C. §1125(a) requires the debtor serve a disclosure statement containing adequate information regarding the debtor's financial condition on all creditors when soliciting votes from creditors on its plan.

1. "adequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, that would enable a hypothetical reasonable investor typical of holders of claims or interests of the relevant class to make an informed judgment about the plan, but adequate information need not include such information about any alternative or competing plan(s); and
2. "investor typical of holders of claims or interest of the relevant class" means investor having:
  - a. a claim or interest of the relevant class;

- b. such a relationship with the debtor as the holders of other claims or interests of such class generally have; and
  - c. such ability to obtain such information from sources other than the disclosure required by this section as holders of claims or interests in such class generally have.
- B. Because what constitutes adequate information in a disclosure statement must ultimately be determined on a case-by-case basis, the following checklist is not all inclusive. The following information will be sufficient in most cases to satisfy the requirements of 11 U.S.C. §1125(a).
  - 1. Description of the debtor's business, including a brief history and outline of the events which led to the filing of a Chapter 11 petition.
  - 2. Description of the debtor's present financial condition, including its capital needs, significant events which have occurred since the filing of its petition, its management, and the compensation of the debtor's management. This information may be supported by the inclusion of financial statements, periodic operating statements or summaries, cash flow statements, profit and loss statements, balance sheets, income statements, a valuation of the assets and a description of any interests in property the debtor holds.
  - 3. Projected operating statements showing debtor's future revenues and expenses.
  - 4. Pending litigation, settlements, and the status of any executory contracts dealt with during the administration of the Chapter 11 case.
  - 5. A description of the accounting process used and the name of the accountant.
  - 6. Descriptions of creditors, scheduled claims, the proposed classification of claims, and identity of any claims involving insiders.
  - 7. Disclosure of administrative expenses and priority claims.
  - 8. A summary of the plan, including known factors bearing on its success or failure, financial information which would be relevant to a creditor's acceptance or rejection, method of execution, minimum dividend to creditors, and tax consequences. Conditions precedent to the funding of the plan should also be disclosed.
  - 9. Liquidation analysis setting forth what the creditors would receive in the event of a liquidation under Chapter 7.
  - 10. A description of the provisions governing voting on a plan and identification of those entitled to vote.
  - 11. Identification of the source of information presented in the disclosure statement and a disclaimer.

## **XV. PLAN OF REORGANIZATION: CONTENTS**

The contents of a plan shall, at a minimum, include provisions contained in 11 U.S.C. §1123(a). More specifically, a plan shall:

- (1) designate classes of claims;
- (2) specify any class of claims that is not impaired;
- (3) specify the treatment of those classes which are impaired;
- (4) provide for the same treatment for each member of class, unless agreement for less favorable treatment;
- (5) provide adequate means for the plan's implementation.

## **XVI. REQUIREMENTS FOR CONFIRMATION - 11 U.S.C. §1129(a)**

A plan may be confirmed if all the requirements of 11 U.S.C. §1129(a) are met as follows:

- (1) plan complies with the applicable provisions of this title;
- (2) proponent of plan complies with the applicable provisions of this title;
- (3) plan has been proposed in good faith;
- (4) administrative expenses and professional fees are subject to court approval and any payments will be made in accordance with the terms of the plan;<sup>2</sup>
- (5) identity and compensation of directors, officers and insiders are disclosed;
- (6) approval for any rate increases has been obtained from the applicable regulatory authority;
- (7) each holder of a claim has accepted **or** will receive or retain property of a value as of the effective date of the plan that is not less than the amount such holder would receive or retain if liquidated under chapter 7 (Liquidation Test);
- (8) all classes have accepted the plan or are unimpaired;
- (9) plan complies with Code's mandatory treatment of certain priority claims;

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<sup>2</sup>Administrative expenses and professional fees must be paid on the plan's effective date unless *each* holder of *each* such debt agrees to less favorable treatment.

- (10) a minimum of one impaired, voting class must vote to accept the plan;
- (11) confirmation is not likely to be followed by liquidation or need for further reorganization;
- (12) continuation of retiree benefits for which debtor is obligated; and
- (13) all Judicial Conference Quarterly Fees have been paid or will be paid on the effective date of the plan.

Cram Down of Plans. If all the requirements of 11 U.S.C. §1129(a) are met with respect to a plan with the exception of 11 U.S.C. §1129(a)(8), the court, on the request of the plan's proponent, may confirm the plan if the plan does not discriminate unfairly and is fair and equitable, with respect to each class that is impaired under, and has not accepted the plan. Confirmation is permitted notwithstanding nonacceptance by an impaired class provided the plan satisfies the Absolute Priority Rule<sup>3</sup>.

## **XVII. CONFIRMATION HEARING**

Counsel for debtor shall be prepared to address at the confirmation hearing the matters as outlined in the attached **Exhibit L**.

## **XVIII. ORDER CONFIRMING PLAN**

The debtor shall submit the Order Confirming Plan to the Clerk of Court, with a copy served on the Bankruptcy Administrator, within ten (10) days of the date of the confirmation hearing. The Order Confirming Plan shall conform to the format prescribed in **Exhibit M**.

## **XIX. POST-CONFIRMATION REPORTS**

The Order Confirming Plan provides that the debtor shall file post-confirmation reports with the Clerk of U.S. Bankruptcy Court and serve a copy thereof on the Bankruptcy Administrator pursuant to 11 U.S.C. §1106(a)(7), as that provision applies to debtors in possession (11 U.S.C. §1107(a)). The first post-confirmation report shall be due on the earliest of June 30, September 30, December 31, or March 31 of the calendar year in which this plan of reorganization is confirmed. The debtor shall file subsequent reports at the end of every succeeding calendar quarter (June 30, September 30, December 31 or March 31), until the plan is substantially consummated. Quarterly reports shall reflect any progress made toward consummating the Plan during the period covered by the report and shall be prepared in a format prescribed by the Bankruptcy Administrator.

All post-confirmation reports shall reflect a breakdown of progress by class in accordance with the confirmed plan. Upon confirmation of the plan, the debtor is no longer required to file monthly operating reports unless otherwise directed by the court at the confirmation hearing. The format prescribed for the post-confirmation report is referenced as **Exhibit N**.

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<sup>3</sup>The application of the so-called Absolute Priority Rule to Chapter 11 cram down provisions is set forth in the legislative history of Section 1129(b). Counsel unfamiliar with this provision should carefully review the case law and legislative history.

## **XX. MOTION FOR FINAL DECREE AND FINAL REPORT**

Pursuant to the Order Confirming Plan, within thirty (30) days of substantial consummation of the plan, the debtor shall file a Final Report reflecting the payments for all costs of administration and for each class of creditor and a motion for the entry of a Final Decree pursuant to Rule No. 3022, F.R.B.P. It is suggested that the debtor provide specific information regarding payments made under the plan of reorganization. The format for the Final Report and a memo regarding the content of the motion for the entry of Final Decree are referenced as **Exhibits O and P**.

## **XXI. FINAL REPORT UPON CONVERSION OF CHAPTER 11 TO CHAPTER 7**

In the event that the debtor's attempts to reorganize are unsuccessful and the debtor's case is converted to one under Chapter 7, the debtor is required by Federal Rule of Bankruptcy Procedure No. 1019 to file a Final Report. The Final Report shall be a complete accounting of the debtor's financial activities from the time the case was commenced under Chapter 11 through the date of conversion and shall be filed in accordance with the provisions of the Order of Conversion. **The Final Report of Chapter 11 Estate Upon Conversion to Chapter 7 should be filed in the format prescribed by the Bankruptcy Administrator.** (See Exhibit Q)

## **XXII. SUMMARY**

Counsel shall discuss each topic in these Guidelines with the debtor or debtor's managing officers in advance of filing the Chapter 11 petition. This shall ensure that the debtor is aware of its duties and obligations as early in the process as possible. If the debtor believes it will be unable to comply with the time frames set forth herein, the problem should be discussed in advance with the Bankruptcy Administrator or the Bankruptcy Administrator's office to avoid a motion to dismiss, convert or for other appropriate relief.

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA**

**IN RE:****CASE NO.:****DATE FILED:****CHAPTER:****DSSN: DTAXID:****JDSSN: JDTAXID:**

**ORDER REGARDING ADMINISTRATION OF ESTATE**

This order is entered to aid in the administration of this estate and to carry out the provisions of Chapter 11 of the Bankruptcy Code (11 U.S.C. Section 105).

Pursuant to Section 302(d)(3)(I)(ii) of the Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986, the Bankruptcy Administrator is responsible for supervising the administration of Chapter 11 estates. In undertaking this responsibility, the Bankruptcy Administrator supervises compliance by the debtor-in-possession/Chapter 11 trustee with the requirements set out in Local Bankruptcy Rule No. 4002-1(b), EDNC, as well as any other requirements ordered by the court or prescribed by the Bankruptcy Administrator to ensure the successful, orderly administration of a case. Accordingly,

**IT IS ORDERED THAT:**

1. The debtor(s) shall comply with the requirements set forth in U.S.C. Section 521, in Local Bankruptcy Rule No. 4002-1(b), EDNC, any other applicable provisions contained in the Local Bankruptcy Rules, EDNC, Bankruptcy Code, 28 U.S.C. § 1930 and Federal Rules of Bankruptcy Procedure.

2. The debtor-in-possession/Chapter 11 trustee shall cooperate with and be accountable to the Bankruptcy Administrator, and in doing so shall file with the court regular reports of operations in such form and frequency as the Bankruptcy Administrator reasonably shall require.

**DATED:**


---

**United States Bankruptcy Judge**

Note: Failure to comply with this order may result in dismissal or conversion of the case to a case under chapter 7 or other appropriate action by the court.



UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA

In Re:

Case No.:

MONTHLY REPORT OF CORPORATE DEBTOR IN POSSESSION/TRUSTEE  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_.

**I. Summary of Business Operations:**

**1.(a) Please summarize debtor's activities for the month:**

**(b) Did operations meet the debtor's expectations/projections this month? If no, what affected profitability?**

**2. Did the debtor have any significant receipts or disbursements this month that were "one time only," that will not necessarily occur in each month going forward? (i.e receipt of insurance proceeds, receipt of refunds, payment of annual or quarterly premiums, large repair expenses, etc.) If yes, please describe:**

**3. Does the debtor expect to make any changes to its business in the next 30 days? If yes, please describe:**

**II. Summary of Chapter 11 Activities**

**1. Were any transactions this month outside of the ordinary course of business? (i.e. sale of property, loans from third parties, large purchases, etc.) If yes, please describe:**

**2. What steps has the debtor taken toward reorganization or liquidation?**

**I declare under penalty or perjury that the information contained in this report is true and correct to the best of my knowledge and belief.**

**Respectfully submitted this \_\_\_\_\_, day of \_\_\_\_\_, 20\_\_.**

**Title: \_\_\_\_\_ Signature: \_\_\_\_\_**

**Attorney for Debtor: \_\_\_\_\_ Date: \_\_\_\_\_**

**Name  
Address  
Phone number**

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_**

**PART A:  
CERTIFICATIONS**

1.    Yes\_\_\_ No\_\_\_        All postpetition taxes [tax obligations arising after the chapter 11 petition was filed] are currently paid or deposited.
2.    Yes\_\_\_ No\_\_\_        All tax returns coming due post petition have been filed or extensions granted.
3.    Yes\_\_\_ No\_\_\_        All administrative expenses [postpetition obligations] other than taxes are current.
4.    Yes\_\_\_ No\_\_\_        All insurance remains in full force and effect in accordance with Local Bankruptcy Rule No. 4002-1(b)(1)(c).
5.    Yes\_\_\_ No\_\_\_        New books and records were opened as of the petition date and are being maintained monthly and are current.
6.    Yes\_\_\_ No\_\_\_        New DIP bank accounts were opened and are reconciled in accordance with Local Bankruptcy Rule No. 4002-1(b)(1).
7.    Yes\_\_\_ No\_\_\_        Pre-petition bank accounts have been closed.
8.    Yes\_\_\_ No\_\_\_        Prepetition debts [obligations due on or before the filing of the case] have not been paid *since the filing of this case*.
9.    Yes\_\_\_ No\_\_\_        Prepetition debts [obligations due on or before the filing of the case] have not been paid *this reporting period*.
10.   Yes\_\_\_ No\_\_\_        The only transfers of property made during this period were transfers which were in the ordinary course of business.
11.   Yes\_\_\_ No\_\_\_        Estate funds which are on deposit in banking institutions are fully covered by FDIC or FSLIC insurance of \$100,000.00.
12.   Yes\_\_\_ No\_\_\_        Copies of the corresponding bank statements are attached for each open account.
13.   Yes\_\_\_ No\_\_\_        If this report falls on the calendar quarter, the debtor has paid the chapter 11 quarterly fee.

**IF THE ANSWER TO ANY OF THE CERTIFICATIONS ABOVE IS NO, PLEASE PROVIDE EXPLANATION ON SUPPLEMENT TO PART A.**

**SUPPLEMENT TO PART A:  
EXPLANATION OF CERTIFICATIONS REFLECTED AS "NO"**

**1. Postpetition taxes not current or not deposited:**

Type \_\_\_\_\_ and amount \$ \_\_\_\_\_ unpaid or not deposited.

Type \_\_\_\_\_ and amount \$ \_\_\_\_\_ unpaid or not deposited.

**When will the debtor bring these taxes current?:**

**2. Tax returns not filed:**

**3. Administrative expenses [postpetition] other than taxes not current:**

Type \_\_\_\_\_ and amount \$ \_\_\_\_\_ unpaid.

Type \_\_\_\_\_ and amount \$ \_\_\_\_\_ unpaid.

**When will the debtor bring these payments current?:**

**4. Description of uninsured estate property, reasons why and steps implemented to obtain insurance:**

**a.**

**b.**

**5. Reason/explanation why new books and records have not been opened:**

**6. Reason/explanation why new bank accounts have not been opened:**

**7. Reason/explanation why old bank accounts have not been closed:**

**8. List all prepetition debts which were paid since the petition date including the name and address of the creditor paid, the amount paid, and the justification for the payment [do not include payments to secured creditors or lessors under an adequate protection agreement.]**

**9. List all prepetition debts paid this reporting period in the format identified in #8 above:**

- 10. List all property which was sold/transferred outside the ordinary course of business and whether prior authority for such transfer[s] was obtained from the court:**
- 11. If funds are not fully covered by FDIC or FSLIC insurance of \$100,000.00, provide name of bank[s] where estate monies are deposited and the balance of all accounts therein:**
- 12. Reason/explanation why bank statements were not attached:**
- 13. Reason/explanation why debtor has not paid the chapter11 quarterly fee:**

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_

PART B:  
*MUST BE COMPLETED FOR EACH OPEN BANK ACCOUNT*

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS  
CASH ACTIVITY ANALYSIS

NATURE/TYPE OF ACCOUNT: \_\_\_General/Operating Account;  
\_\_\_Tax Account;  
\_\_\_Payroll Account;  
\_\_\_Other: \_\_\_\_\_

	<u>Amount</u>
1. CASH BALANCE FROM PREVIOUS MONTH'S REPORT:	\$_____
2. TOTAL CASH RECEIPTS: _____[On following page Supplement to Part B provide a description of the source and amount]	\$_____
3. CASH BALANCE AVAILABLE: [#1 plus #2]	\$_____
4. TOTAL CASH DISBURSEMENTS: [On following page Supplement to Part B provide a description of the disbursements]	\$_____
5. ENDING CASH BALANCE: [#3 less #4]	\$_____

SUMMARY OF BANK ACCOUNT INFORMATION

6. TOTAL BANK BALANCE	\$_____
7. PLUS UNCLEARED DEPOSITS	_____
8. LESS UNCLEARED CHECKS	_____
9. RECONCILED BALANCE	*\$_____

BANK NAME      ACCOUNT NUMBER      NATURE OF ACCOUNT

\*If item #5 differs from Item #9, please explain:

**SUPPLEMENT TO PART B:  
MUST BE COMPLETED FOR EACH OPEN BANK ACCOUNT**

**DESCRIPTION/ITEMIZATION OF RECEIPTS AND DISBURSEMENTS**

**NATURE/TYPE OF ACCOUNT:**      General/Operating Account;  
           Tax Account;  
           Payroll Account;  
           Other:                                 

**1. RECEIPTS:** Amount

Sales	<u>                                </u>
Collection of postpetition accounts receivable	<u>                                </u>
Collection of prepetition accounts receivable	<u>                                </u>
Borrowing by debtor	<u>                                </u>
Transfer from another account (# <u>      </u> )	<u>                                </u>
Other Income (describe on attachment)	<u>                                </u>
Less allowance for returns and discounts	<u>                                </u>
<b>*TOTAL =</b>	<b>\$ <u>                                </u></b>

**\*Total equals item #2/Total Cash Receipts on Part B.**

**2. DISBURSEMENTS:** Amount

Purchases of inventory	<u>                                </u>
Net Payroll (transfer to payroll account)	<u>                                </u>
Payroll Taxes (transfer to tax account)	<u>                                </u>
Rent	<u>                                </u>
Other lease payments	<u>                                </u>
Utilities (Telephone, Electricity, Other)	<u>                                </u>
Sales Tax	<u>                                </u>
Other taxes	<u>                                </u>
Travel and Entertainment	<u>                                </u>
Automobile or vehicle expense	<u>                                </u>
Service charges	<u>                                </u>
Vehicle insurance	<u>                                </u>
Life and health insurance	<u>                                </u>
Other insurance	<u>                                </u>
Supplies	<u>                                </u>
Freight	<u>                                </u>
Advertising	<u>                                </u>
Repairs and Maintenance	<u>                                </u>
Payments to secured creditors	<u>                                </u>
Other Expenses (describe on attachment)	<u>                                </u>

**\*TOTAL = \$**

**\*Total equals item #4/Total Cash Disbursements on Part B.**

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_**

**PART C:**

**SUMMARY OF ACCOUNTS RECEIVABLE**

	<u><b>Amount</b></u>
<b>1. Beginning Balance</b>	<b>\$_____</b>
<b>2. Sales on Account</b>	<b>\$_____</b>
<b>3. Collections on Account</b>	<b>\$_____</b>
<b>4. Ending Balance</b>	<b>\$_____</b>
_____ [Item #1 plus #2 minus #3]	

**STATUS OF COLLECTIONS:**

	<u><b>Amount</b></u>
<b>Current to 30 days</b>	<b>\$_____</b>
<b>31 to 60 days</b>	<b>\$_____</b>
<b>61 to 90 days</b>	<b>\$_____</b>
<b>91 to 120 days</b>	<b>\$_____</b>
<b>121 days and older</b>	<b>\$_____</b>
<b>TOTAL:</b>	<b>\$_____</b>



FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_

**PART D:**

**SUMMARY OF ACCOUNTS PAYABLE**  
**[EXCLUDING PREPETITION ACCOUNTS PAYABLE]**

**Amount**

**Current to 30 days** \$\_\_\_\_\_

**31 to 60 days** \$ \_\_\_\_\_

**61 to 90 days** **\$**\_\_\_\_\_

**91 to 120 days** \$ \_\_\_\_\_

**121 days and older** \$\_\_\_\_\_

**TOTAL:** \$\_\_\_\_\_

**If there are payables outstanding greater than 60 days, please provide explanation:**

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_

Part E :  
STATUS OF PAYMENTS TO SECURED CREDITORS

1. Creditor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

2. Creditor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

3. Creditor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

4. Creditor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

5. Creditor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

6. Creditor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

[Attach a separate page for additional secured creditors]

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_

Part F :

STATUS OF PAYMENTS TO LESSORS

**Provide the following information for all leases that have not been rejected:**

**1. Lessor Name:** \_\_\_\_\_

**Was this creditor paid a full payment this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**If not, was any amount paid to the creditor this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Have all payments due to this creditors since the petition date been paid?** \_\_\_\_\_

**If not, how much is owed this creditor in missed or partial payments since the petition date?** \_\_\_\_\_

**2. Lessor Name:** \_\_\_\_\_

**Was this creditor paid a full payment this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**If not, was any amount paid to the creditor this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Have all payments due to this creditors since the petition date been paid?** \_\_\_\_\_

**If not, how much is owed this creditor in missed or partial payments since the petition date?** \_\_\_\_\_

**3. Lessor Name:** \_\_\_\_\_

**Was this creditor paid a full payment this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**If not, was any amount paid to the creditor this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Have all payments due to this creditors since the petition date been paid?** \_\_\_\_\_

**If not, how much is owed this creditor in missed or partial payments since the petition date?** \_\_\_\_\_

**4. Lessor Name:** \_\_\_\_\_

**Was this creditor paid a full payment this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**If not, was any amount paid to the creditor this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Have all payments due to this creditors since the petition date been paid?** \_\_\_\_\_

**If not, how much is owed this creditor in missed or partial payments since the petition date?** \_\_\_\_\_

**5. Lessor Name:** \_\_\_\_\_

**Was this creditor paid a full payment this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**If not, was any amount paid to the creditor this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Have all payments due to this creditors since the petition date been paid?** \_\_\_\_\_

**If not, how much is owed this creditor in missed or partial payments since the petition date?** \_\_\_\_\_

**6. Lessor Name:** \_\_\_\_\_

**Was this creditor paid a full payment this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**If not, was any amount paid to the creditor this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Have all payments due to this creditors since the petition date been paid?** \_\_\_\_\_

**If not, how much is owed this creditor in missed or partial payments since the petition date?** \_\_\_\_\_

[Attach a separate page for additional lessors]

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_**

**PART G:**

**SUMMARY OF OFFICER/OWNER COMPENSATION AND PERSONNEL REPORT**

- 1. Report all salaries received from or paid by the debtor to an owner or officer of the debtor.  
Check here if same as last monthly report or provide the following information:**

<u>_____</u>	<u>_____</u>	<u>Amount of</u>	<u>Amount of</u>	<u>Date</u>
<u>Name of Officer/Owner</u>	<u>Title</u>	<u>Compensation</u>	<u>Compensation</u>	<u>Received this month</u>
		<u>Authorized</u>	<u>Received this month</u>	<u>Approved</u>
		<u>By the Court</u>		

- 2. Personnel Report:**

       **Check here if same as last monthly report or provide the following information:**

	<u>Full Time</u>
Total number of employees at beginning of the reporting period	<u>      </u>
Number hired during the period	<u>      </u>
Number terminated/resigned during the period	<u>      </u>
Total number of employees at the end of the period	<u>      </u>

- 3. Report all payments made to professionals (i.e. accountants, attorneys, realtors) paid by the debtor:**

<u>_____</u>	<u>_____</u>	<u>Amount of</u>	<u>Amount of</u>	<u>Date</u>
<u>Name of Professional</u>	<u>Type of Service</u>	<u>Compensation</u>	<u>Compensation</u>	<u>Received</u>
	<u>(i.e. acct, atty, etc)</u>	<u>Authorized</u>	<u>Received</u>	<u>Approved</u>
		<u>By the Court</u>		

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_**

**PART H:**

**ACCRUAL BASIS INCOME/[LOSS] FOR THE MONTH**

**Amount**

- |           |  |          |
|-----------|--|----------|
| <b>1.</b> | <b>Total Sales or Revenue</b>                  | \$ _____ |
| <b>2.</b> | <b>Cost of Goods Sold</b>                      |          |
|           | <b>Material:</b>                               | \$ _____ |
|           | <b>Labor:</b>                                  | \$ _____ |
|           | <b>Other:</b>                                  | \$ _____ |
|           | <hr/> <b>TOTAL COSTS</b>                       | \$ _____ |
| <b>3.</b> | <b>Gross Profit [Item #1 minus item #2]</b>    | \$ _____ |
| <b>4.</b> | <b>TOTAL OPERATING EXPENSES</b>                | \$ _____ |
| <b>5.</b> | <b>Net Profit or &lt;Loss&gt;</b>              | \$ _____ |
|           | <hr/> <b>[Item #3 minus #4]</b>                |          |
| <b>6.</b> | <b>Total Non-Operating<br/>Income/Expenses</b> | \$ _____ |
| <b>7.</b> | <b>Net Profit or &lt;Loss&gt;</b>              | \$ _____ |
|           | <b>[Item #5 minus #6]</b>                      |          |

**[If a detailed INCOME STATEMENT is available, please attach it to the monthly report]**

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_

PART I: ACCRUAL BASIS BALANCE SHEET

This part must be submitted with the *first monthly report* and thereafter on a *quarterly basis*, with the reports for *March, June, September and December*, unless a different date is agreed to by the Bankruptcy Administrator, until confirmation of the plan. It is permissible and helpful if a balance sheet is submitted more often than once a quarter, but not required. An "in house" report may be attached, with the approval of the Bankruptcy Administrator, provided it meets the accrual requirement.

**ASSETS**

**CURRENT ASSETS**

Cash	_____
_____Accounts receivable [net]	_____
_____Other receivables	_____
_____Inventories	_____
_____Prepaid	_____
<b>Total Current Assets</b>	_____

**FIXED, LONG TERM, AND OTHER ASSETS**

Land	_____
Fixed Assets	_____
Accumulated depreciation on fixed assets	_____
_____Other Assets - Net	_____
<b>Total fixed, long term and other assets</b>	_____

<b>Total assets</b>	_____
---------------------	-------

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

Accounts Payable	_____
_____Notes Payable	_____
Salaries Payable	_____
Payroll Taxes Payable	_____
_____Income Taxes Payable	_____
Other Current Liabilities	_____
<b>Total Current Liabilities</b>	_____

**LONG TERM LIABILITIES**

Prepetition Liabilities	_____
_____Postpetition Long Term	_____
<b>Total Long Term Liabilities</b>	_____
<b>TOTAL LIABILITIES</b>	_____

**OWNERS' [STOCKHOLDERS'] EQUITY**

Stock [investment in company]	_____
Retained Earning	_____
<b>Total Owners Equity</b>	_____
<b>Total Liabilities and Owners' Equity</b>	_____

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE QUARTER OF \_\_\_\_\_, 20\_\_

Exhibit J: Chapter 11 Quarterly Fees

To be completed *quarterly*. Only complete the information for the *current* quarter.

Disbursements include: Sum total of disbursements from all bank accounts, including payments of operating expenses and payments to secured creditors and lessors. Disbursements do not include transfers between accounts. Quarterly fees are not prorated.

1<sup>st</sup> Quarter

Disbursements for January, 20\_\_ : \_\_\_\_\_

Disbursements for February, 20\_\_ : \_\_\_\_\_

Amount of Fee Due: \_\_\_\_\_

Disbursements for March, 20\_\_ : \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Total Disbursements for the 1<sup>st</sup> Quarter: \_\_\_\_\_

2<sup>nd</sup> Quarter

Disbursements for April, 20\_\_ : \_\_\_\_\_

Disbursements for May, 20\_\_ : \_\_\_\_\_

Amount of Fee Due: \_\_\_\_\_

Disbursements for June, 20\_\_ : \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Total Disbursements for the 2<sup>nd</sup> Quarter: \_\_\_\_\_

3<sup>rd</sup> Quarter

Disbursements for July, 20\_\_ : \_\_\_\_\_

Disbursements for August, 20\_\_ : \_\_\_\_\_

Amount of Fee Due: \_\_\_\_\_

Disbursements for September, 20\_\_ : \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Total Disbursements for the 3<sup>rd</sup> Quarter: \_\_\_\_\_

4<sup>th</sup> Quarter

Disbursements for October, 20\_\_ : \_\_\_\_\_

Disbursements for November, 20\_\_ : \_\_\_\_\_

Amount of Fee Due: \_\_\_\_\_

Disbursements for December, 20\_\_ : \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Total Disbursements due for the 4<sup>th</sup> Quarter: \_\_\_\_\_

Scale: \$250 for disbursements less than \$15,000 for the entire quarter

\$500 for disbursements of \$15,000 or more but less than \$75,000

\$750 for disbursements of \$75,000 or more but less than \$150,000

\$1,250 for disbursements of \$150,000 or more but less than \$225,000

\$1,500 for disbursements of \$225,000 or more but less than \$300,000

\$3,750 for disbursements of \$300,000 or more but less than \$1,000,000

\$5,000 for disbursements of \$1,000,000 or more but less than \$2,000,000

\$7,500 for disbursements of \$2,000,000 or more but less than \$3,000,000

\$8,000 for disbursements of \$3,000,000 or more but less than \$5,000,000

\$10,000 for disbursements over \$5,000,000

If the amount paid differs from the amount due, please provide an explanation:

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA

In Re:

Case No.:

MONTHLY REPORT OF INDIVIDUAL DEBTOR IN POSSESSION/TRUSTEE DOING BUSINESS  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_.

**I. Summary of Business Operations:**

**1.(a) Please summarize debtor's activities for the month:**

**(b) Did operations meet the debtor's expectations/projections this month? If no, what affected profitability?**

**2. Did the debtor have any significant receipts or disbursements this month that were "one time only," that will not necessarily occur in each month going forward? (i.e receipt of insurance proceeds, receipt of refunds, payment of annual or quarterly premiums, large repair expenses, etc.) If yes, please describe:**

**3. Does the debtor expect to make any changes to its business in the next 30 days? If yes, please describe:**



**II. Summary of Chapter 11 Activities**

**1. Were any transactions this month outside of the ordinary course of business? (i.e. sale of property, loans from third parties, large purchases, etc.) If yes, please describe:**

**2. What steps has the debtor taken toward reorganization or liquidation?**

**I declare under penalty or perjury that the information contained in this report is true and correct to the best of my knowledge and belief.**

**Respectfully submitted this \_\_\_\_\_, day of \_\_\_\_\_, 20\_\_.**

**Title: \_\_\_\_\_ Signature: \_\_\_\_\_**

**Attorney for Debtor: \_\_\_\_\_ Date: \_\_\_\_\_**

**Name  
Address  
Phone number**

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_

PART A:

CERTIFICATIONS

1.    Yes\_\_\_ No\_\_\_      All postpetition taxes [tax obligations arising after the chapter 11 petition was filed] are currently paid or deposited.
2.    Yes\_\_\_ No\_\_\_      All tax returns coming due post petition have been filed or extension granted.
3.    Yes\_\_\_ No\_\_\_      All administrative expenses [postpetition obligations] other than taxes are current.
4.    Yes\_\_\_ No\_\_\_      All insurance remains in full force and effect in accordance with Local Bankruptcy Rule No. 4002-1(b)(1)(c).
5.    Yes\_\_\_ No\_\_\_      New books and records were opened as of the petition date and are being maintained monthly and are current.
6.    Yes\_\_\_ No\_\_\_      New DIP bank accounts were opened and are reconciled in accordance with Local Bankruptcy Rule No. 4002-1(b)(1).
7.    Yes\_\_\_ No\_\_\_      Pre-petition bank accounts have been closed.
8.    Yes\_\_\_ No\_\_\_      Prepetition debts [obligations due on or before the filing of the case] have not been paid *since the filing of this case*.
9.    Yes\_\_\_ No\_\_\_      Prepetition debts [obligations due on or before the filing of the case] have not been paid *this reporting period*.
10.   Yes\_\_\_ No\_\_\_      The only transfers of property made during this period were transfers which were in the ordinary course of business.
11.   Yes\_\_\_ No\_\_\_      Estate funds which are on deposit in banking institutions are fully covered by FDIC or FSLIC insurance of \$100,000.00.
12.   Yes\_\_\_ No\_\_\_      Copies of the corresponding bank statements are attached for each open account.
13.   Yes\_\_\_ No\_\_\_      If this report falls on the calendar quarter, the debtor has paid the quarterly fee.

IF THE ANSWER TO ANY OF THE CERTIFICATIONS ABOVE IS NO, PLEASE PROVIDE EXPLANATION ON SUPPLEMENT TO PART A.

**SUPPLEMENT TO PART A:  
EXPLANATION OF CERTIFICATIONS REFLECTED AS "NO"**

**1. Postpetition taxes not current or not deposited:**

Type \_\_\_\_\_ and amount \$\_\_\_\_\_ unpaid or not deposited.

Type \_\_\_\_\_ and amount \$\_\_\_\_\_ unpaid or not deposited.

When will the debtor bring these taxes current?:

**2. Tax returns not filed:**

**3. Administrative expenses [postpetition] other than taxes not current:**

Type \_\_\_\_\_ and amount \$\_\_\_\_\_ unpaid.

Type \_\_\_\_\_ and amount \$\_\_\_\_\_ unpaid.

When will the debtor bring these payments current?:

**4. Description of uninsured estate property, reasons why and steps implemented to obtain insurance:**

- a.
- b.

**5. Reason/explanation why new books and records have not been opened:**

**6. Reason/explanation why new bank accounts have not been opened:**

**7. Reason/explanation why old bank accounts have not been closed:**

**8. List all prepetition debts which were paid since the petition date including the name and address of the creditor paid, the amount paid, and the justification for the payment [do not include payments to secured creditors or lessors under an adequate protection agreement.]**

**9. List all prepetition debts paid this reporting period in the format identified in #8 above:**

- 10. List all property which was sold/transferred outside the ordinary course of business and whether prior authority for such transfer[s] was obtained from the court:**
- 11. If funds are not fully covered by FDIC or FSLIC insurance of \$100,000.00, provide name of bank[s] where estate monies are deposited and the balance of all accounts therein:**
- 12. Reason/explanation why bank statements were not attached:**
- 13. Reason/explanation why debtor has not paid the Chapter 11 quarterly fee:**

## SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS

### CASH ACTIVITY ANALYSIS FOR INDIVIDUAL DEBTORS

**\* All items must be answered. Any which do not apply should be answered "none" or "N/A".**

**1. Cash on Hand** **\$**\_\_\_\_\_

2. **Income or receipts during the reporting period:**

A. **Salary and commissions** \$ \_\_\_\_\_

B. **Interest or dividends** \$ \_\_\_\_\_

C. **Rent** \$ \_\_\_\_\_

D. **Other Income** \$ \_\_\_\_\_  
(describe on attachment)

**Total Income or Receipts (Add lines 2a - 2d)** \$\_\_\_\_\_

**3. Expenses:**

<b>A.</b>	<b>Taxes</b>	<b>\$</b> _____
<b>B.</b>	<b>Utilities</b>	<b>\$</b> _____
<b>C.</b>	<b>Mortgage and rent</b>	<b>\$</b> _____
<b>D.</b>	<b>Insurance premiums</b>	<b>\$</b> _____
<b>E.</b>	<b>Food</b>	<b>\$</b> _____
<b>F.</b>	<b>Medical/dental</b>	<b>\$</b> _____
<b>G.</b>	<b>Loan payments</b>	<b>\$</b> _____
<b>H.</b>	<b>Transportation</b>	<b>\$</b> _____
<b>I.</b>	<b>Clothing</b>	<b>\$</b> _____
<b>J.</b>	<b>Gifts and donations</b>	<b>\$</b> _____
<b>K.</b>	<b>Tuition/education</b>	<b>\$</b> _____
<b>L.</b>	<b>Other (attach list)</b>	<b>\$</b> _____

**Total Disbursements (Add lines 4a - 4l)** \$

4. **Balance at end of the reporting period**  
(add line 1 to total income, then subtract  
total disbursements) **\$**

## SUMMARY OF BANK ACCOUNT INFORMATION

5. Total bank balance \$ \_\_\_\_\_

6. Plus uncleared deposits \_\_\_\_\_

---

7. Less uncleared checks \_\_\_\_\_

8. Reconciled balance \*\$ \_\_\_\_\_

BANK NAME      ACCOUNT NUMBER      NATURE OF ACCOUNT

\*If item #5 differs from Item #8, please explain:

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_

PART C:  
*MUST BE COMPLETED FOR EACH BUSINESS BANK ACCOUNT*

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS  
CASH ACTIVITY ANALYSIS

NATURE/TYPE OF ACCOUNT:   \_\_\_General/Operating Account;  
                                      \_\_\_Tax Account;  
                                      \_\_\_Payroll Account;  
                                      \_\_\_Other: \_\_\_\_\_

	<u>Amount</u>
1.     CASH BALANCE FROM PREVIOUS MONTH'S REPORT:	\$ _____
2.     TOTAL CASH RECEIPTS: _____[On following page Supplement to Part B provide a description of the source and amount]	\$ _____
3.     CASH BALANCE AVAILABLE: [#1 plus #2]	\$ _____
4.     TOTAL CASH DISBURSEMENTS: [On following page Supplement to Part B provide a description of the disbursements]	\$ _____
5.     ENDING CASH BALANCE: [#3 less #4]	\$ _____

SUMMARY OF BANK ACCOUNT INFORMATION

6.     TOTAL BANK BALANCE	\$ _____
7.     PLUS UNCLEARED DEPOSITS	_____
8.     LESS UNCLEARED CHECKS	_____
9.     RECONCILED BALANCE	*\$ _____

BANK NAME   ACCOUNT NUMBER   NATURE OF ACCOUNT

\*If item #5 differs from Item #9, please explain:

SUPPLEMENT TO PART C:  
MUST BE COMPLETED FOR EACH OPEN BUSINESS BANK ACCOUNT

**DESCRIPTION/ITEMIZATION OF RECEIPTS AND DISBURSEMENTS**

NATURE/TYPE OF ACCOUNT:      General/Operating Account;  
                     Tax Account;  
                     Payroll Account;  
                     Other:                     

1. RECEIPTS:	<u>Amount</u>
Sales	_____
Collection of postpetition accounts receivable	_____
Collection of prepetition accounts receivable	_____
Borrowing by debtor	_____
Transfer from another account (#_____)	_____
Other Income (describe on attachment)	_____
Less allowance for returns and discounts	_____
*TOTAL =	\$ _____

\*Total equals item #2/Total Cash Receipts on Part C.

2. DISBURSEMENTS:	<u>Amount</u>
Purchases of inventory	_____
Net Payroll (transfer to payroll account)	_____
Payroll Taxes (transfer to tax account)	_____
Rent	_____
Other lease payments	_____
Utilities (Telephone, Electricity, Other)	_____
Sales Tax	_____
Other taxes	_____
Travel and Entertainment	_____
Automobile or vehicle expense	_____
Service charges	_____
Vehicle insurance	_____
Life and health insurance	_____
Other insurance	_____
Supplies	_____
Freight	_____
Advertising	_____
Repairs and Maintenance	_____
Payments to secured creditors	_____
Other Expenses (describe on attachment)	_____
*TOTAL =	\$ _____

\*Total equals item #4/Total Cash Disbursements on Part C.



**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_**

**PART D:**

**SUMMARY OF ACCOUNTS RECEIVABLE**

	<u><b>Amount</b></u>
<b>1. Beginning Balance</b>	<b>\$_____</b>
<b>2. Sales on Account</b>	<b>\$_____</b>
<b>3. Collections on Account</b>	<b>\$_____</b>
<b>4. Ending Balance</b>	<b>\$_____</b>
<b>_____ [Item #1 plus #2 minus #3]</b>	

**STATUS OF COLLECTIONS:**

	<u><b>Amount</b></u>
<b>Current to 30 days</b>	<b>\$_____</b>
<b>31 to 60 days</b>	<b>\$_____</b>
<b>61 to 90 days</b>	<b>\$_____</b>
<b>91 to 120 days</b>	<b>\$_____</b>
<b>121 days and older</b>	<b>\$_____</b>
<b>TOTAL:</b>	<b>\$_____</b>

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_**

## PART E:

**SUMMARY OF ACCOUNTS PAYABLE**  
**[EXCLUDING PREPETITION ACCOUNTS PAYABLE]**

**Amount**

**Current to 30 days** \$ \_\_\_\_\_

**31 to 60 days** \$ \_\_\_\_\_

**61 to 90 days** \$\_\_\_\_\_

**91 to 120 days** \$\_\_\_\_\_

**121 days and older** \$\_\_\_\_\_

**TOTAL:** \$ \_\_\_\_\_

**If there are payables outstanding greater than 60 days, please provide explanation:**

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_

Part F :  
STATUS OF PAYMENTS TO SECURED CREDITORS

1. Creditor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

2. Creditor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

3. Creditor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

4. Creditor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

5. Creditor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

6. Creditor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

[Attach a separate page for additional secured creditors]

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_**

**Part D :**

**STATUS OF PAYMENTS TO LESSORS**

**Provide the following information for all leases that have not been rejected:**

**1. Lessor Name:** \_\_\_\_\_

**Was this creditor paid a full payment this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**If not, was any amount paid to the creditor this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Have all payments due to this creditors since the petition date been paid?** \_\_\_\_\_

**If not, how much is owed this creditor in missed or partial payments since the petition date?** \_\_\_\_\_

**2. Lessor Name:** \_\_\_\_\_

**Was this creditor paid a full payment this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**If not, was any amount paid to the creditor this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Have all payments due to this creditors since the petition date been paid?** \_\_\_\_\_

**If not, how much is owed this creditor in missed or partial payments since the petition date?** \_\_\_\_\_

**3. Lessor Name:** \_\_\_\_\_

**Was this creditor paid a full payment this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**If not, was any amount paid to the creditor this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Have all payments due to this creditors since the petition date been paid?** \_\_\_\_\_

**If not, how much is owed this creditor in missed or partial payments since the petition date?** \_\_\_\_\_

**4. Lessor Name:** \_\_\_\_\_

**Was this creditor paid a full payment this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**If not, was any amount paid to the creditor this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Have all payments due to this creditors since the petition date been paid?** \_\_\_\_\_

**If not, how much is owed this creditor in missed or partial payments since the petition date?** \_\_\_\_\_

**5. Lessor Name:** \_\_\_\_\_

**Was this creditor paid a full payment this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**If not, was any amount paid to the creditor this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Have all payments due to this creditors since the petition date been paid?** \_\_\_\_\_

**If not, how much is owed this creditor in missed or partial payments since the petition date?** \_\_\_\_\_

**6. Lessor Name:** \_\_\_\_\_

**Was this creditor paid a full payment this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**If not, was any amount paid to the creditor this month?** \_\_\_\_\_ **Amount:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Have all payments due to this creditors since the petition date been paid?** \_\_\_\_\_

**If not, how much is owed this creditor in missed or partial payments since the petition date?** \_\_\_\_\_

**[Attach a separate page for additional lessors]**

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_**

**PART H:**

**SUMMARY OF OFFICER/OWNER COMPENSATION AND PERSONNEL REPORT**

- 1. Report all salaries received from or paid by the debtor to an owner or officer of the debtor. Check here if same as last monthly report or provide the following information:**

<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
		Amount of Compensation Authorized	Amount of Compensation	Date
<u>Name of Officer/Owner</u>	<u>Title</u>	<u>By the Court</u>	<u>Received this month</u>	<u>Approved</u>

- 2. Personnel Report:**

\_\_\_\_\_ Check here if same as last monthly report or provide the following information:

	<u>Full Time</u>
Total number of employees at beginning of the reporting period	<u>_____</u>
Number hired during the period	<u>_____</u>
Number terminated/resigned during the period	<u>_____</u>
Total number of employees at the end of the period	<u>_____</u>

- 3. Report all payments made to professionals (i.e. accountants, attorneys, realtors) paid by the debtor:**

<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
	Type of Service	Amount of Compensation Authorized	Amount of Compensation	Date
<u>Name of Professional</u>	<u>(i.e. acct, atty, etc)</u>	<u>By the Court</u>	<u>Received</u>	<u>Approved</u>

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_**

**PART I:**

**ACCRUAL BASIS INCOME/[LOSS] FOR THE MONTH**

**Amount**

- |                                 |  |                 |
|---------------------------------|--|-----------------|
| <b>1.</b>                       | <b>Total Sales or Revenue</b>                  | \$ _____        |
| <b>2.</b>                       | <b>Cost of Goods Sold</b>                      |                 |
|                                 | <b>Material:</b>                               | \$ _____        |
|                                 | <b>Labor:</b>                                  | \$ _____        |
|                                 | <b>Other:</b>                                  | \$ _____        |
| <br>_____ <b>TOTAL COSTS</b>    |  | <br>\$ _____    |
| <b>3.</b>                       | <b>Gross Profit [Item #1 minus item #2]</b>    | <b>\$ _____</b> |
| <b>4.</b>                       | <b>TOTAL OPERATING EXPENSES</b>                | <b>\$ _____</b> |
| <b>5.</b>                       | <b>Net Profit or &lt;Loss&gt;</b>              | <b>\$ _____</b> |
| _____ <b>[Item #3 minus #4]</b> |  |                 |
| <b>6.</b>                       | <b>Total Non-Operating<br/>Income/Expenses</b> | <b>\$ _____</b> |
| <b>7.</b>                       | <b>Net Profit or &lt;Loss&gt;</b>              | <b>\$ _____</b> |
| <b>[Item #5 minus #6]</b>       |  |                 |

**[If a detailed INCOME STATEMENT is available, please attach it to the monthly report]**

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_

PART J: ACCRUAL BASIS BALANCE SHEET

This part must be submitted with the first monthly report and thereafter on a quarterly basis, with the reports for *March, June, September and December*, unless a different date is agreed to by the Bankruptcy Administrator, until confirmation of the plan. It is permissible and helpful if a balance sheet is submitted more often than once a quarter, but not required. An "in house" report may be attached, with the approval of the Bankruptcy Administrator, provided it meets the accrual requirement.

ASSETS

CURRENT ASSETS

Cash	_____
_____ Accounts receivable [net]	_____
_____ Other receivables	_____
_____ Inventories	_____
_____ Prepaid	_____
Total Current Assets	_____

FIXED, LONG TERM, AND OTHER ASSETS

Land	_____
Fixed Assets	_____
Accumulated depreciation on fixed assets	_____
_____ Other Assets - Net	_____
Total fixed, long term and other assets	_____

Total assets	_____
--------------	-------

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable	_____
_____ Notes Payable	_____
Salaries Payable	_____
Payroll Taxes Payable	_____
_____ Income Taxes Payable	_____
Other Current Liabilities	_____
Total Current Liabilities	_____

LONG TERM LIABILITIES

Prepetition Liabilities	_____
_____ Postpetition Long Term	_____
Total Long Term Liabilities	_____
TOTAL LIABILITIES	_____

OWNERS' [STOCKHOLDERS'] EQUITY

Stock [investment in company]	_____
Retained Earning	_____
Total Owners Equity	_____
Total Liabilities and Owners' Equity	_____

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE QUARTER OF \_\_\_\_\_, 20\_\_\_\_

Part K: Chapter 11 Quarterly Fees

To be completed *quarterly*. Only complete the information for the *current* quarter.

Disbursements include: Sum total of disbursements from all bank accounts, including payments of operating expenses and payments to secured creditors and lessors. Disbursements do not include transfers between accounts. Quarterly fees are not prorated.

1<sup>st</sup> Quarter

Disbursements for January, 20\_\_\_\_ : \_\_\_\_\_

Disbursements for February, 20\_\_\_\_ : \_\_\_\_\_ Amount of Fee Due: \_\_\_\_\_

Disbursements for March, 20\_\_\_\_ : \_\_\_\_\_ Amount Paid: \_\_\_\_\_

Total Disbursements for the 1<sup>st</sup> Quarter: \_\_\_\_\_

2<sup>nd</sup> Quarter

Disbursements for April, 20\_\_\_\_ : \_\_\_\_\_

Disbursements for May, 20\_\_\_\_ : \_\_\_\_\_ Amount of Fee Due: \_\_\_\_\_

Disbursements for June, 20\_\_\_\_ : \_\_\_\_\_ Amount Paid: \_\_\_\_\_

Total Disbursements for the 2<sup>nd</sup> Quarter: \_\_\_\_\_

3<sup>rd</sup> Quarter

Disbursements for July, 20\_\_\_\_ : \_\_\_\_\_

Disbursements for August, 20\_\_\_\_ : \_\_\_\_\_ Amount of Fee Due: \_\_\_\_\_

Disbursements for September, 20\_\_\_\_ : \_\_\_\_\_ Amount Paid: \_\_\_\_\_

Total Disbursements for the 3<sup>rd</sup> Quarter: \_\_\_\_\_

4<sup>th</sup> Quarter

Disbursements for October, 20\_\_\_\_ : \_\_\_\_\_

Disbursements for November, 20\_\_\_\_ : \_\_\_\_\_ Amount of Fee Due: \_\_\_\_\_

Disbursements for December, 20\_\_\_\_ : \_\_\_\_\_ Amount Paid: \_\_\_\_\_

Total Disbursements due for the 4<sup>th</sup> Quarter: \_\_\_\_\_

Scale: \$250 for disbursements less than \$15,000 for the entire quarter

\$500 for disbursements of \$15,000 or more but less than \$75,000

\$750 for disbursements of \$75,000 or more but less than \$150,000

\$1,250 for disbursements of \$150,000 or more but less than \$225,000

\$1,500 for disbursements of \$225,000 or more but less than \$300,000

\$3,750 for disbursements of \$300,000 or more but less than \$1,000,000

\$5,000 for disbursements of \$1,000,000 or more but less than \$2,000,000

\$7,500 for disbursements of \$2,000,000 or more but less than \$3,000,000

\$8,000 for disbursements of \$3,000,000 or more but less than \$5,000,000

\$10,000 for disbursements over \$5,000,000

If the amount paid differs from the amount due, please provide an explanation:



**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA**

IN RE:

CASE NO:

Debtor(s)

**MONTHLY REPORT OF INDIVIDUAL DEBTOR IN POSSESSION/TRUSTEE  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_**

**PART A: CERTIFICATIONS**

1. Yes\_\_\_ No\_\_\_ All tax returns coming due post petition have been filed or extensions granted.
2. Yes\_\_\_ No\_\_\_ All administrative expenses [postpetition obligations] including taxes are current.
3. Yes\_\_\_ No\_\_\_ All insurance remains in full force and effect in accordance with Local Bankruptcy Rule No. 4002-1(b)(1)(c).
4. Yes\_\_\_ No\_\_\_ New books and records were opened as of the petition date and are being maintained monthly and are current.
5. Yes\_\_\_ No\_\_\_ New DIP bank accounts were opened and are reconciled in accordance with Local Bankruptcy Rule No. 4002-1(b)(1).
6. Yes\_\_\_ No\_\_\_ Pre-petition bank accounts have been closed.
7. Yes\_\_\_ No\_\_\_ Prepetition debts [obligations due on or before the filing of the case] have not been paid *since the filing of this case*.
8. Yes\_\_\_ No\_\_\_ Prepetition debts [obligations due on or before the filing of the case] have not been paid *this reporting period*.
9. Yes\_\_\_ No\_\_\_ The only transfers of property made during this period were transfers which were in the ordinary course of business.
10. Yes\_\_\_ No\_\_\_ Estate funds which are on deposit in banking institutions are fully covered by FDIC or FSLIC insurance of \$100,000.00.
11. Yes\_\_\_ No\_\_\_ Copies of the corresponding bank statements are attached for each open account.
12. Yes\_\_\_ No\_\_\_ If this report falls on the calendar quarter, the debtor has paid the Chapter 11 quarterly fee.

**SUPPLEMENT TO PART A:**

**EXPLANATION OF CERTIFICATIONS REFLECTED AS "NO"**

- 1. Tax returns not filed:**
- 2. Administrative expenses [postpetition] other than taxes not current:**  
  
Type \_\_\_\_\_ and amount \$\_\_\_\_\_ unpaid.  
  
Type \_\_\_\_\_ and amount \$\_\_\_\_\_ unpaid.  
  
When will the debtor bring these payments current?:
- 3. Description of uninsured estate property, reasons why and steps implemented to obtain insurance:**
  - a.**
  - b.**
- 4. Reason/explanation why new books and records have not been opened:**
- 5. Reason/explanation why new bank accounts have not been opened:**
- 6. Reason/explanation why old bank accounts have not been closed:**
- 7. List all prepetition debts which were paid since the petition date including the name and address of the creditor paid, the amount paid, and the justification for the payment [do not include payments to secured creditors or lessors under an adequate protection agreement.]**
- 8. List all prepetition debts paid this reporting period in the format identified in #7 above:**
- 9. List all property which was sold/transferred outside the ordinary course of business and whether prior authority for such transfer[s] was obtained from the court:**

**10. If funds are not fully covered by FDIC or FSLIC insurance of \$100,000.00, provide name of bank[s] where estate monies are deposited and the balance of all accounts therein:**

**11. Reason/explanation why bank statements were not attached:**

**12. Reason/explanation why debtor has not paid the Chapter 11 quarterly fee:**

**I declare under penalty of perjury that the information contained in this report is true and correct to the best of my knowledge and belief.**

**Respectfully submitted this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.**

\_\_\_\_\_  
**Debtor in Possession**

**I certify that the information contained in this report is true and correct to the best of my knowledge and belief.**

**Date:**\_\_\_\_\_

**Attorney for Debtor  
Name, Address and Phone Number  
of Attorney for Debtor In  
Possession/Trustee**

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_  
PART B:**

**SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS  
CASH ACTIVITY ANALYSIS FOR INDIVIDUAL DEBTORS**

**NATURE/TYPE OF ACCOUNT:**     Checking;  
                                      Savings;  
                                      Other: \_\_\_\_\_

**\* All items must be answered. Any which do not apply should be answered "none or "N/A".**

**1. Cash on Hand** **\$**\_\_\_\_\_

**2. Income or receipts during  
the reporting period:**

<b>A. Salary and commissions</b>	<b>\$</b> _____
<b>B. Interest or dividends</b>	<b>\$</b> _____
<b>C. Rent</b>	<b>\$</b> _____
<b>D. Other Income</b>	<b>\$</b> _____
<b>(describe on attachment)</b>	

**Total Income or Receipts (Add lines 2a - 2d)** **\$**\_\_\_\_\_

**3. Expenses:**

<b>A. Taxes</b>	<b>\$</b> _____
<b>B. Utilities</b>	<b>\$</b> _____
<b>C. Mortgage and rent</b>	<b>\$</b> _____
<b>D. Insurance premiums</b>	<b>\$</b> _____
<b>E. Food</b>	<b>\$</b> _____
<b>F. Medical/dental</b>	<b>\$</b> _____
<b>G. Loan payments</b>	<b>\$</b> _____
<b>H. Transportation</b>	<b>\$</b> _____
<b>I. Clothing</b>	<b>\$</b> _____
<b>J. Gifts and donations</b>	<b>\$</b> _____
<b>K. Tuition/education</b>	<b>\$</b> _____
<b>L. Other (attach list)</b>	<b>\$</b> _____

**\_\_\_\_\_ Total Disbursements (Add lines 4a - 4l)** **\$**\_\_\_\_\_

**4. Balance at end of the reporting period  
(add line 1 to total income, then subtract  
total disbursements)** **\$**\_\_\_\_\_

## SUMMARY OF BANK ACCOUNT INFORMATION

5. Total bank balance \$ \_\_\_\_\_

6. Plus uncleared deposits \_\_\_\_\_

---

7. Less uncleared checks \_\_\_\_\_

8. Reconciled balance \*\$ \_\_\_\_\_

BANK NAME      ACCOUNT NUMBER      NATURE OF ACCOUNT

\*If item #5 differs from Item #8, please explain:

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_

Part C :  
STATUS OF PAYMENTS TO SECURED CREDITORS

1. Creditor Name: \_\_\_\_\_  
Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_  
If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_  
Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_  
If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

2. Creditor Name: \_\_\_\_\_  
Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_  
If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_  
Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_  
If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

3. Creditor Name: \_\_\_\_\_  
Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_  
If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_  
Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_  
If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

4. Creditor Name: \_\_\_\_\_  
Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_  
If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_  
Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_  
If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

5. Creditor Name: \_\_\_\_\_  
Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_  
If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_  
Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_  
If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

6. Creditor Name: \_\_\_\_\_  
Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_  
If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_  
Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_  
If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

[Attach a separate page for additional secured creditors]

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE MONTH OF \_\_\_\_\_, 20\_\_\_\_

Part D :

STATUS OF PAYMENTS TO LESSORS

Provide the following information for all leases that have not been rejected:

1. Lessor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

2. Lessor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

3. Lessor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

4. Lessor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

5. Lessor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

6. Lessor Name: \_\_\_\_\_

Was this creditor paid a full payment this month? \_\_\_\_\_ Amount: \_\_\_\_\_

If not, was any amount paid to the creditor this month? \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

Have all payments due to this creditors since the petition date been paid? \_\_\_\_\_

If not, how much is owed this creditor in missed or partial payments since the petition date? \_\_\_\_\_

[Attach a separate page for additional lessors]

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT  
FOR THE QUARTER OF \_\_\_\_\_, 20\_\_\_\_

Part E: Chapter 11 Quarterly Fees

To be completed *quarterly*. Only complete the information for the *current* quarter.

Disbursements include: Sum total of disbursements from all bank accounts, including payments of operating expenses and payments to secured creditors and lessors. Disbursements do not include transfers between accounts. Quarterly fees are not prorated.

1<sup>st</sup> Quarter

Disbursements for January, 20\_\_ : \_\_\_\_\_

Disbursements for February, 20\_\_ : \_\_\_\_\_

Amount of Fee Due: \_\_\_\_\_

Disbursements for March, 20\_\_ : \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Total Disbursements for the 1<sup>st</sup> Quarter: \_\_\_\_\_

2<sup>nd</sup> Quarter

Disbursements for April, 20\_\_ : \_\_\_\_\_

Disbursements for May, 20\_\_ : \_\_\_\_\_

Amount of Fee Due: \_\_\_\_\_

Disbursements for June, 20\_\_ : \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Total Disbursements for the 2<sup>nd</sup> Quarter: \_\_\_\_\_

3<sup>rd</sup> Quarter

Disbursements for July, 20\_\_ : \_\_\_\_\_

Disbursements for August, 20\_\_ : \_\_\_\_\_

Amount of Fee Due: \_\_\_\_\_

Disbursements for September, 20\_\_ : \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Total Disbursements for the 3<sup>rd</sup> Quarter: \_\_\_\_\_

4<sup>th</sup> Quarter

Disbursements for October, 20\_\_ : \_\_\_\_\_

Disbursements for November, 20\_\_ : \_\_\_\_\_

Amount of Fee Due: \_\_\_\_\_

Disbursements for December, 20\_\_ : \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Total Disbursements due for the 4<sup>th</sup> Quarter: \_\_\_\_\_

Scale: \$250 for disbursements less than \$15,000 for the entire quarter  
\$500 for disbursements of \$15,000 or more but less than \$75,000  
\$750 for disbursements of \$75,000 or more but less than \$150,000  
\$1,250 for disbursements of \$150,000 or more but less than \$225,000  
\$1,500 for disbursements of \$225,000 or more but less than \$300,000  
\$3,750 for disbursements of \$300,000 or more but less than \$1,000,000  
\$5,000 for disbursements of \$1,000,000 or more but less than \$2,000,000  
\$7,500 for disbursements of \$2,000,000 or more but less than \$3,000,000  
\$8,000 for disbursements of \$3,000,000 or more but less than \$5,000,000  
\$10,000 for disbursements over \$5,000,000

If amount paid differs from amount due, please explain:



**NOTICE OF DEPOSIT AND OF DESIGNATED DEPOSITORY****IN RE:****CASE NUMBER:**

{Case Name}

The undersigned Debtor in Possession/Trustee hereby files this Notice of Deposit and Designated Depository with the Bankruptcy Administrator, Eastern District of North Carolina, at Post Office Box 3758, Wilson, North Carolina 27895-3758 for Wilson division cases and at Post Box 3039, Century Station, Raleigh, NC 27602-3039 for Raleigh division cases:

The following information is being submitted to the Bankruptcy Administrator within ten {10} days of the filing of the chapter 11 petition on each account being maintained by the debtor in possession/trustee:

<b>Date Opened:</b>	{date new account opened}
<b>Name on Account:</b>	{name of individual or entity which will be reflected on bank statement or printed on check}
<b>Type of Account:</b>	{for example: checking, savings, operating/general, payroll, tax, special escrow, certificate of deposit, other}
<b>Account Number:</b>	{complete account number}
<b>Authorized Signature on Acct:</b>	{list each individual that has been authorized to sign on account}
<b>Name of Depository:</b>	{name of banking institution}
<b>Address of Depository:</b>	{address of banking institution}
<b>Telephone of Depository:</b>	{telephone # of banking institution}
<b>Contact Person at Depository:</b>	{individual contact person at banking institution}
<b>Amount of Initial Deposit:</b>	{total amount of initial deposit}

The debtor hereby certifies that the deposits for each account reflected above are fully covered by FDIC or FSLIC insurance of \$100,000.00. The debtor in possession/trustee agrees to immediately contact the Bankruptcy Administrator prior to the deposit of funds in a single depository which would result in an excess of \$100,000.00 in the debtor{s} accounts.

DATE:

---

 Signature of Debtor in Possession/Trustee

## JUDICIAL CONFERENCE QUARTERLY FEES INSTRUCTIONS TO DEBTORS

All chapter 11 cases filed after April 1, 2002 are subject to a quarterly fee. The quarterly fee helps fund the operation and maintenance of the courts of the United States.

The fee must be paid to the Clerk, U.S. Bankruptcy Court for every quarter (including any fraction thereof), from the time the petition is filed until the date of entry of an order dismissing, converting, or closing the case. The fee is applicable to each and every case commenced under chapter 11 after April 1, 2002, regardless of whether the case has been administratively consolidated with any other case.

The obligation to pay quarterly fees begins on the day the case is filed and ceases when the case is no longer pending in chapter 11, i.e., when a final decree is entered closing the case or when the case is either converted or dismissed. **Cases pending even one day during a quarter will be required to pay the fee applicable to that entire quarter.**

The debtor is responsible for the prompt and full payment of this fee. The amount varies depending upon the dollar value of **all disbursements** made during the portion of the calendar quarter the case is pending in chapter 11; however, a minimum fee of \$250.00 is due each quarter even if no disbursements are made during the quarter.

### JUDICIAL CONFERENCE QUARTERLY FEE TABLE

Disbursements per quarter	Quarterly fee
Less than \$15,000	\$250
Total \$15,000 or more but less than \$75,000	\$500
Total \$75,000 or more but less than \$150,000	\$750
Total \$150,000 or more but less than \$225,000	\$1,250
Total \$225,000 or more but less than \$300,000	\$1,500
Total \$300,000 or more but less than \$1,000,000	\$3,750
Total \$1,000,000 or more but less than \$2,000,000	\$5,000
Total \$2,000,000 or more but less than \$3,000,000	\$7,500
Total \$3,000,000 or more but less than \$5,000,000	\$8,000
Total \$5,000,000 or more	\$10,000

<b>Quarter</b>	<b>Quarterly Fee Due Dates Ending</b>	<b>Due Date for Payment</b>
1 <sup>st</sup> Quarter Jan-Feb-Mar	March 31	April 30
2 <sup>nd</sup> Quarter Apr-May-June	June 30	July 31
3 <sup>rd</sup> Quarter Jul-Aug-Sep	September 30	October 31
4 <sup>th</sup> Quarter Oct-Nov-Dec	December 31	January 31

It is the debtor's independent responsibility to ensure that these fees are paid on or before the due date. The debtor will receive no bill.

### **QUARTERLY FEE STATEMENTS**

Fed R. Bankr. P. 2015(a)(5) requires that a debtor-in-possession file with the Bankruptcy Court and transmit to the United States Bankruptcy Administrator a statement of disbursements made during a calendar quarter, the amount of quarterly fees owed and the amount of fees paid. The debtor must include the Chapter 11 Quarterly Fee Statement with this debtor's monthly operating reports, post-confirmation reports and final report. Even if the plan has been confirmed, this information must be submitted until the case has been converted or dismissed. A copy of the Quarterly Fee Statement is attached to these instructions.

If the debtor seeks to voluntarily dismiss the chapter 11 case, the debtor must tender the quarterly fee to the clerk of court before the order dismissing the case is entered. Failure to tender the quarterly fee may result in conversion of the case to a Chapter 7 liquidation.

Questions regarding these instructions and reporting requirements should be addressed to debtor's counsel.

(Quarterly Fee Statement)

Chapter 11 Quarterly Fees

To be completed **quarterly**. Only complete the information for the **current** quarter.

Disbursements include: Sum total of disbursements from all bank accounts, including payments of operating expenses and payments to secured creditors and lessors. Disbursements do not include transfers between accounts. Quarterly fees are not prorated.

**1<sup>st</sup> Quarter**

Disbursements for January, 20\_\_ : \_\_\_\_\_

Disbursements for February, 20\_\_ : \_\_\_\_\_

Disbursements for March, 20\_\_ : \_\_\_\_\_

Amount of Fee Due: \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Total Disbursements for the 1<sup>st</sup> Quarter: \_\_\_\_\_

**2<sup>nd</sup> Quarter**

Disbursements for April, 20\_\_ : \_\_\_\_\_

Disbursements for May, 20\_\_ : \_\_\_\_\_

Disbursements for June, 20\_\_ : \_\_\_\_\_

Amount of Fee Due: \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Total Disbursements for the 2<sup>nd</sup> Quarter: \_\_\_\_\_

**3<sup>rd</sup> Quarter**

Disbursements for July, 20\_\_ : \_\_\_\_\_

Disbursements for August, 20\_\_ : \_\_\_\_\_

Disbursements for September, 20\_\_ : \_\_\_\_\_

Amount of Fee Due: \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Total Disbursements for the 3<sup>rd</sup> Quarter: \_\_\_\_\_

**4<sup>th</sup> Quarter**

Disbursements for October, 20\_\_ : \_\_\_\_\_

Disbursements for November, 20\_\_ : \_\_\_\_\_

Disbursements for December, 20\_\_ : \_\_\_\_\_

Amount of Fee Due: \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Total Disbursements due for the 4<sup>th</sup> Quarter: \_\_\_\_\_

**Scale:** \$250 for disbursements less than \$15,000 for the entire quarter

\$500 for disbursements of \$15,000 or more but less than \$75,000

\$750 for disbursements of \$75,000 or more but less than \$150,000

\$1,250 for disbursements of \$150,000 or more but less than \$225,000

\$1,500 for disbursements of \$225,000 or more but less than \$300,000

\$3,750 for disbursements of \$300,000 or more but less than \$1,000,000

\$5,000 for disbursements of \$1,000,000 or more but less than \$2,000,000

\$7,500 for disbursements of \$2,000,000 or more but less than \$3,000,000

\$8,000 for disbursements of \$3,000,000 or more but less than \$5,000,000

\$10,000 for disbursements over \$5,000,000

**If the amount paid differs from the amount due, please provide an explanation:**

# Office of the Bankruptcy Administrator for the Eastern District of North Carolina

1800F Parkwood Boulevard  
Post Office Box 3758  
Wilson, North Carolina 27895-3758  
(252) 237-6854

300 Fayetteville Street Mall  
Post Office Box 3039-Century Station  
Raleigh, North Carolina 27602-3039  
(919) 856-4886

## NOTICE

**INITIAL DEBTOR INTERVIEW:** On **June 24, 2002, at 10:00am**, the debtor, the debtor's attorney, and any other professionals employed by the debtor, shall meet with the Bankruptcy Administrator, and/or members of her staff for an initial interview. This interview will take place at the Bankruptcy Administrator's office located in **Wilson**. The purpose of this interview shall be to review the operating order, debtor-in-possession requirements, tax returns of the debtor, financial statements of the debtor, and the pre- and post-petition books and records of the debtor. In the event that the debtor has not filed its schedules with the court within 24 hours prior to the above date, the intake conference will be rescheduled to a later date. **THIS INTERVIEW IS NOT OPTIONAL.**

The debtor shall bring its tax returns for the past three years, all year end financial statements generated in the past three years (either prepared by CPA or in-house), all post-petition books and records (including all check registers, ledgers, bank statements and canceled checks), pre-petition books and records for the twelve months prior to the Chapter 11 filing date (including, but not limited to all check registers, ledgers, bank statements and canceled checks), proof of insurance (i.e. copies of binders indicating that all assets are insured, and policy is up to date) and a 30 day projection of debtor's income and expenses. It is advisable that any persons responsible for the financial activities of the debtor, i.e. daily upkeep of books and records, preparation of the monthly reports, etc., attend this meeting. It is anticipated that this meeting will last 1 hour(s).

Dated:

Served On:

Attorney for Debtor

Debtor(s)

**Criteria and Procedure for Site Visits  
Conducted by the Bankruptcy Administrator's Office in  
Cases Under Chapter 11**

In some cases, the Bankruptcy Administrator's office may conduct a site visit of the Chapter 11 debtor's premises. This will normally be in addition to the Initial Intake Conference. In some instances, the intake will be conducted during the site visit. The visit will enable the Bankruptcy Administrator to understand more about a debtor's particular business and prospects for a successful reorganization. A representative of the Bankruptcy Administrator's office will tour the debtor's business, review books and records, and meet with officers and employees. The representative will address any problems or concerns regarding the debtor's compliance with the rules and procedures which are necessary in a particular case. Not all cases lend themselves to site visits. Whether a visit will be beneficial or necessary is determined on a case-by-case basis.

The Bankruptcy Administrator's office will contact debtor's counsel by phone to arrange a date and time for the site visit. The attorney will have an opportunity to inform the Bankruptcy Administrator about any issues or problems the attorney wishes to address during the visit. The attorney will then be responsible for contacting his or her client to confirm the time and place of the visit. Whether counsel is present during the visit will be left to the discretion of counsel and the debtor. If telephone contacts prove unsuccessful, the Bankruptcy Administrator will contact the debtor and counsel in writing.

The Bankruptcy Administrator representative may contact the debtor's financial officer to discuss the kinds of records the debtor has and to answer any general questions about the pending visit. It is anticipated that this initial contact will alleviate some of the anxiety that is likely to be associated with the prospect of a visit by a government officer. Whenever possible, the Bankruptcy Administrator will provide the debtor with a list of the items which the debtor should have available for inspection. This list may vary from case to case.

During the visit to the site, the representative of the Bankruptcy Administrator's office will meet with the individual who is primarily responsible for the debtor's record keeping and will go over reporting requirements with that person as requested by the debtor's attorney, if necessary. The representative will conduct a review of the debtor's books and records, look for irregular transactions or evidence of hidden assets, verify the existence of necessary property and liability insurance, and assess the overall condition of the physical site and financial condition of the business. Before leaving, the representative will determine whether or not any modifications in the standard reporting forms and requirements are necessary and will discuss them with the bookkeeper and counsel, if present.

If necessary, the Bankruptcy Administrator representative will draft a report of findings made as a result of the site visit and make a recommendation regarding additional action to be taken.

**Office of the Bankruptcy Administrator  
for the Eastern District of North Carolina**

**Exhibit I**

1800F Parkwood Boulevard  
Post Office Box 3758  
Wilson, North Carolina 27895-3758  
(252) 237-6854  
(252) 237-6721

300 Fayetteville Street Mall, Room 416  
Post Office Box 3039-Century Station  
Raleigh, North Carolina 27602-3039  
(919) 856-4886  
(919) 856-4692

Marjorie K. Lynch  
Bankruptcy Administrator

Reply to:

**MEMORANDUM TO CREDITORS WHO MAY BE ELIGIBLE TO SERVE  
ON THE COMMITTEE OF UNSECURED CREDITORS  
FROM  
UNITED STATES BANKRUPTCY ADMINISTRATOR  
EASTERN DISTRICT OF NORTH CAROLINA**

**As one of the twenty largest unsecured creditors of this debtor, you have been selected to participate in the administration of the debtor's Chapter 11 reorganization through your membership on the official Committee of Unsecured Creditors. If you choose to participate as a member of the Committee, you will have the opportunity to insure that all unsecured creditors receive fair and equitable treatment under any plan of reorganization. Committees also have the power to investigate the debtor's financial affairs which may result in the return of additional funds to the debtor's estate for distribution to creditors. Your participation is completely voluntary and you may elect not to participate as a member of the committee. If you have any questions about the functions and powers of committees in Chapter 11 cases, you should contact Lynn Tingen, Bankruptcy Analyst, at the Office of the Bankruptcy Administrator at 252-237-6854.**

The Bankruptcy Administrator is authorized to organize and recommend to the court the appointment of a committee of creditors holding unsecured claims against the debtor. The Bankruptcy Administrator is authorized to convene and preside at the organizational meeting of the Creditors Committee until a chairperson has been elected by the committee.

To assist the Bankruptcy Administrator in forming the committee of unsecured creditors in this case, please notify the Bankruptcy Administrator's office of your interest or lack of interest by mailing or faxing the attached completed Acceptance/Rejection form to the address above prior to the initial unsecured creditor meeting. You may also provide this information electronically by going to the following web site: [www.nceba.uscourts.gov](http://www.nceba.uscourts.gov) and clicking on "Creditors Committee Solicitation" and following the instructions. Creditors who would be willing to serve on the committee but will be unable to attend the initial meeting should indicate this in any response. **A Notice indicating the date and time of the Initial Meeting of the Unsecured Creditors' Committee is enclosed.**

**ORGANIZATION OF THE COMMITTEE**

The Creditors Committee is normally composed of the seven largest unsecured creditors of the debtor who are willing to serve on the committee. The Bankruptcy Administrator will

not recommend that a Committee consisting of fewer than three creditors be appointed. The number of persons appointed to serve on the Committee may be more or less than the seven persons holding the largest claims against the Debtor (11 U.S.C. § 1102). The Committee serves as a vehicle for ideas and suggestions from those creditors who know the debtor best. By participating on the Committee, the unsecured creditor is given a greater voice in the proceedings of the Chapter 11 reorganization.

The Committee should promptly select a **Chairperson** who can administer the Committee's activities. The Committee may, subject to the court's approval, employ an attorney. If the Committee deems the services of an attorney will be necessary, the Bankruptcy Administrator should be apprised. The attorney selected to represent the Committee should be experienced in bankruptcy law and is prohibited from representing any adverse interest in the case while so employed. The court may also authorize the employment of other professionals such as accountants but only upon a showing that their services are reasonably necessary to promote the interests of the estate.

The role of the Committee often varies according to the size of the business and the need to employ professionals often varies in a similar manner. The larger and more complex business may require the employment of several professionals by the committee.

### **FUNCTION OF THE COMMITTEE**

The major function of the Committee is to investigate the debtor's financial condition and the operation of the business. The Committee may investigate various aspects of the debtor's financial condition including the assets and liabilities, the debtor's conduct and other aspects of the operation of the business.

Another important role of the Committee may be participation in the formulation of a reorganization plan. The debtor usually has the exclusive right to file a plan for 120 days following the filing of the petition unless otherwise provided by the court. The Committee may provide the debtor input in the formulation of the debtor's plan. If the debtor's plan exclusivity period expires, the creditors may submit a plan to the court. Usually the Committee will need an attorney to represent it if the Committee plans to take an active role in the case.

The Committee may seek the appointment of an examiner or trustee if it feels this is in the best interest of the creditors. The Committee may seek the appointment of an examiner to investigate the debtor's financial affairs, including allegations of fraud, dishonesty or some other irregularity or mismanagement in the debtor's business. If the Committee feels that a major change in management is necessary, it may seek the appointment of a trustee who can begin operating the business rather than the debtor-in-possession. The court may appoint a trustee upon a sufficient showing of cause including fraud, dishonesty, gross mismanagement or incompetence in the operation of the debtor's business.

### **CONCLUSION**

The Creditors Committee can be an important part of the debtor's reorganization process. It can monitor the debtor's business operation and provide valuable advice as the



debtor attempts to reorganize a troubled business. However, it should be mindful of its limitations. Its role is largely advisory. It cannot participate in the actual operation of the debtor's business.

The role of the Bankruptcy Administrator is to supervise the administration of the estate by the debtor. In addition to various other duties, the Bankruptcy Administrator will monitor the filing and review the contents of reports filed by Chapter 11 trustees and debtors-in-possession as to the financial condition of the estate and the progress of its administration. The Bankruptcy Administrator will also monitor the filing of disclosure statements and plans and review the contents for compliance with requirements imposed by statute, by rule, and by local practice. **The Chairperson selected to represent the committee and counsel for the committee will receive a copy of the monthly operating reports from the debtor's counsel.**

## **STATUTORY AND OTHER PROVISIONS GOVERNING CREDITORS COMMITTEES IN THE EASTERN DISTRICT OF NORTH CAROLINA**

### **1. Organization and Appointment of Creditors Committees:**

Pursuant to Judicial Conference Regulations Governing the Bankruptcy Administrator Program, the Bankruptcy Administrator is authorized to recommend to the court for appointment, a committee of creditors holding unsecured claims and may also recommend the appointment of additional committees of creditors or of equity security holders as the Bankruptcy Administrator deems appropriate. §3.01(e)(1), Judicial Conference Regulations.

The Bankruptcy Administrator may exercise discretion in recommending persons for appointment to a creditors committee. The number of persons appointed to serve may be more or less than the seven persons described in 11 U.S.C. §1102(b)(1). It is not mandatory that the creditors holding the seven largest claims be appointed. Rather, the Bankruptcy Administrator may recommend persons who take an active interest in serving on the committee. The Bankruptcy Administrator may also recommend the appointment of members of a pre-petition creditors committee. In a particularly large bankruptcy case, the Bankruptcy Administrator may recommend that appointment of more than 7 persons to the committee. In a large case, an organizational meeting may be held in advance of the first meeting of creditors so that interests of the unsecured class can be properly represented at the early stages of the bankruptcy proceeding.

The Bankruptcy Administrator sends notice to persons listed on the List of Creditors Holding 20 Largest Claims regarding eligibility to serve on the creditors committee. This list is prepared by the debtor and submitted with the petition. The Bankruptcy Administrator will rely exclusively on the debtor's list when soliciting interest for the formation of committee.

### **2. Optional Committees:**

On request of a party in interest, the court may appoint additional committees of creditors or equity security holders if necessary to insure adequate representation of creditors or of equity security holders. §1102(a)(2). The optional committee should also consist of no more than 7 members with the largest claims of the type represented by the committee.

### **3. Small Business Cases:**

On request of a party interest in case involving a debtor that qualifies as a “small business debtor” under 11 U.S.C. §101(51C) may, for cause, request that a committee not be appointed. 11 U.S.C. §1102(A)(3).

## **POWERS AND DUTIES OF ALL COMMITTEES**

§ 1103(c) of the Bankruptcy Code describes the powers and duties of committees in Chapter 11 cases. A Committee appointed in a Chapter 11 case may do the following:

- (a) consult with the trustee or debtor-in-possession concerning the administration of the case;
- (b) investigate the acts, conduct, assets, liabilities and financial condition of the debtor, the operation of the debtor's business and the desirability of the continuance of such business, and any other matter relevant to the case or to the formulation of a plan;
- (c) participate in the formulation of a plan, advise those represented by such committee of such committee's determination as to any plan formulated, and collect and file with the court acceptances or rejections of a plan;
- (d) request the appointment of a trustee or examiner under § 1104 of this title; and
- (e) perform such other services as are in the interest of those represented.

Even though the Committee's powers and duties are not directly subject to the court's control, if any of the duties or powers outlined above requires the expenditure of funds and encompasses expenses out of line with daily operations of the Committee, court approval should be obtained prior to making such expenditures. The Committee is required to meet with any court appointed trustee, if one is appointed, as soon as possible after the trustee's appointment.

A debtor-in-possession has most of the powers and functions of a trustee. The debtor should be available to meet with the members of the Creditors Committee upon reasonable request and should generally be responsive to inquiries of the Committee regarding the operation and conduct of the debtor's business.

## **EMPLOYMENT OF PROFESSIONALS AND COMPENSATION**

Employment of Professionals - Committees may employ attorneys, accountants, or other professionals to represent or perform services for the Committee with the approval of the bankruptcy court. 11 U.S.C. § 1103(a). In order to employ a professional, the Committee must observe the following procedures:

- (1) Meeting - Employment and selection of professionals may only be carried out at a scheduled meeting of the committee with a majority present. 11 U.S.C. § 1103(a);

- (2) Subject to court approval - Such employment and selection of professionals is subject to the court's approval. 11 U.S.C. § 1103(a);
- (3) Application to the court<sup>4</sup> - To obtain court approval to employ attorneys, accountants, appraisers, auctioneers, agents, or other professional services pursuant to 11 U.S.C. § 1103, the Committee must make an application to the court. The application must include the following specific facts:
  1. necessity for such employment;
  2. name of person to be employed;
  3. reason for selection;
  4. professional services to be rendered;
  5. any proposed arrangement for compensation; and
  6. all of person's connections with debtors, creditors, and other interested parties as well as their attorneys and accountants to the best of applicant's knowledge. Bankruptcy Rule 2014(a).
- (4) Qualifications - A person employed to represent the committee appointed under § 1102 of this title may not "represent any other entity having an adverse interest with the case" at the same time. 11 U.S.C. § 1103(b). Thus, an attorney or other professional who represents a creditor on the committee may continue both representations as long as there is no conflict between the interests of the committee and the individual. Often it is better to have a different attorney for the committee because it may not be possible to foresee conflicts which may arise in the future and require substitute counsel.

Compensation of Professionals - A Committee appointed by the court under 11 U.S.C. § 1102 may employ a professional person under 11 U.S.C. § 1103 on "any reasonable terms and conditions of employment, including a retainer, on an hourly basis, or on a contingent fee basis." 11 U.S.C. § 328(a). This authority to compensate is subject to the following limitations:

- (1) Court May Alter Agreement - The court may alter any fee arrangements after performance if it determines that the terms as originally approved were not reasonable in light of circumstances not anticipated at the time of employment. 11 U.S.C. § 328(a);
- (2) Adverse Interest - The court may deny compensation for services and reimbursement of expenses if the professional person is not disinterested or represents or holds an interest adverse to the estate on the matter on which he is employed. 11 U.S.C. § 328(c);
- (3) Actual Payment - Actual payment of the compensation is authorized only upon court approval, following notice and opportunity for hearing. 11 U.S.C. § 330(a). The court may award:

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<sup>4</sup> Ordinarily, the individual or firm selected to serve as counsel for the committee will assist the committee in obtaining court approval for the professional's employment.

- (a) reasonable compensation for actual, necessary services rendered by such persons and by any paraprofessionals employed by such person, based on:
    - 1. time;
    - 2. nature of job;
    - 3. extent of job;
    - 4. value of services; and
    - 5. cost of comparable services; and
  - (b) reimbursement of actual, necessary expenses. 11 U.S.C. § 330(a)(1) and (2).
- (4) Interim Compensation - Professional persons employed under 11 U.S.C. § 1103 may apply to the court for interim compensation and reimbursement payments not more than once every 120 days after the order for relief is rendered or more often if allowed by the court. The court may award interim compensation only after notice to interested parties and an opportunity for a hearing. 11 U.S.C. § 331.
- (5) Duty of Committee- The Committee has a fiduciary duty to the creditors to carefully review compensation requests of its professionals and should be a good steward of the estate's resources whenever possible.

Attachments: *Unsecured Creditors' Committee Acceptance/Rejection Form*  
*Notice of Initial Meeting of Unsecured Creditors' Committee* C:\Documents and Settings\Tanya Aycock\Desktop\CH 11  
Packet 7-2002.wpd

**PROCEDURES FOR PREPARING AND SUBMITTING  
APPLICATIONS FOR COMPENSATION BY PROFESSIONALS**  
by  
**Office of the United States Bankruptcy Administrator  
Eastern District of North Carolina**

**1. General Form:**

Counsel may submit interim fee applications every 120 days unless the court approves a request to file applications more frequently. Each interim and final application for professional compensation shall contain certain basic information. A list of some, but not all, such elements are listed below:

- A. Date petition was filed.
- B. Date of the order employing the professional.
- C. Amount of any retainer received, where the retainer is deposited and any proposed disbursements from the retainer.
- D. Amount of any other funds received.
- E. Biographical data on each of the individuals for whom compensation is sought.
- F. A summary, by individual, showing the name of the individual, their position in the firm, the total hours (at each rate where an individual has time billed at more than one rate), the rate per hour, and the extended amount.
- G. A detailed listing of time entries that supports the above summary. This listing shall indicate the date of the event, the person performing the action, the amount of time expended, and a description of sufficient detail and clarity that the event and its benefit to the estate are readily apparent.
- H. All time detail shall be in hours in decimal notation. Examples of proper time entries would include 1.30, 1.25 or .10 hours. Examples of incorrect notations would be 55 minutes, 2 ½ hours, ½ day. Apparent minimum billing increments for certain tasks, such as .20 hours or more time for each phone call, may result in a reduction in hours. Reductions may be imposed where all time entries appear to be rounded to nearest one quarter (.25) hour or some other hourly increment. The highest minimum billing increment for any particular entry is .10 rather than .25 or .30 as may be the practice in non-bankruptcy matters.

**2. Format of Time Itemization:**

To the extent possible, separate time entries shall be made for each service - time entries should not be "lumped" together. The practice of lumping several different tasks together is discouraged as it often makes it difficult to separate compensable and noncompensable items.

When such a separation cannot be easily accomplished, some courts have disallowed the

entire block of time. Therefore, time shall be grouped so that each task stands on its own. Time itemizations shall be totaled (\*by month and "grand total" for period which compensation is sought). The final fee application shall include the total fee and total expenses (shown separately) and expenses being requested; the amounts of fees and expenses that have already been approved by the court; the amounts of fees and expenses already paid; and the balance of fees and expenses being requested.

### **3. Specific Time Itemization:**

The Bankruptcy Administrator and the court specifically require that the following time itemizations be listed separately in fee applications:

- A. Travel time - Travel time will be compensated at no more than one half (1/2) of the professional's allowed rate. Travel time shall be shown as a separate line item in the detail and summarized separately from other time in the summary of time submitted as part of the applications. If professional services are rendered while the professional is in transit, then time may be billed at the professional's allowed rate. However, such services must be specifically described in the application.
- B. Court time - Court time should include only time actually spent in court and should not include travel time to or from court or any time spent in any conferences held in conjunction with the court appearance.
- C. Preparation of briefs and other papers - Time spent in the preparation of briefs, petitions, schedules, and other major writings such as the statement of financial affairs should be broken out and not lumped with any other items. The time itemization should be specific as to the paper being prepared. An annotation such as "motion" or "brief" will be insufficient.
- D. Research - Any research should be detailed separately from other time entries. The description should include the nature of the research being done.
- E. Intra office conferences - Any intra office conferences between professionals and paraprofessionals shall be set out separately. The need for each office conference shall be clearly explained. Where the nature of the case and/or the law firm involved is such that more than one professional will be needed with each in a clearly delineated role and where such division of labor will require occasional status and/or coordination conferences, the need for such conferences may be justified in the body of the application. In these cases, the specific time entries for intra office conferences do not need to include long descriptions justifying the need for each individual conference. However, if the amount of intra office conference time is more than nominal, the time item will need to include justification for the conference.
- F. Duplicate billing - When more than one professional or a professional and a paraprofessional, attend a court hearing or participate in a meeting, the time entries for each individual shall include sufficient information about his or her services to clearly justify the need for more than one individual to handle the matter.

### **4. Disclosure/Documentation of Prepetition Time Charged Against Retainers:**

There is to be a full disclosure and documentation of the total amount of prepetition retainer paid and the time charged against the retainer when the retainer is drawn down prior to filing the petition. This disclosure and documentation of the prepetition time charged against the retainer is to be set out in accordance with the usual itemizations that are required for post-petition fee applications. *When the prepetition time is charged against a retainer, it shall be set out in the applicant's initial application for interim compensation and clearly labeled by the applicant as prepetition time charged against retainer.* Counsel may not draw down on the retainer postpetition without court approval.

**5. Biographical Information:**

All initial fee applications filed must include a brief biographical description of all the professionals and paraprofessionals for whom any compensation is sought. This information is necessary to help the court evaluate the applicant(s) and to aid in the determination of both the interim and final rate of compensation. Interim and final fee applications may refer to the biographical descriptions included in the initial fee application unless changes have occurred in that information.

Applications received without biographical information cannot be evaluated and the omission of such information may delay the award of compensation by the court.

The biographical information shall include the following information:

- A. Name.
- B. Position in the firm.
- C. Educational background.
- D. Professional (or paraprofessional) background including -
  - (1) Number of years general experience.
  - (2) Number of years of bankruptcy experience.
  - (3) Specialization or certification.
  - (4) Percentage of practice devoted to bankruptcy.
- E. Normal billing rate.

**6. Ministerial and Clerical Tasks:**

Nonprofessional duties including ministerial and clerical tasks shall be considered overhead, assumed to be part of the professional's billing rate, and not charged separately. Therefore, typing, opening the mail, copying, filing, and the like will be considered to be noncompensable unless the description clearly justifies a need for a professional or paraprofessional person to perform such task.

**7. Expenses:**

The Code allows reasonable and necessary expenses to be paid by the estate. However, the description of expense items submitted with the application is often insufficient. It is important that each expense be set out and that the benefit to the estate for extraordinary items be justified. Failure to provide sufficient description of expense items may lead to disallowance of the same.

The following standards are applicable to expenses for which reimbursement is sought:

- A. Copy costs - The nature of the document being copied, the number of copies, cost per copy, and the total cost shall be set out. Also the description should disclose if the copy was produced "in house" or done by an outside service. The maximum allowable copy cost is .20/copy.
- B. Mileage - The date, the destination of the trip, the number of miles, the charge per mile, and the total cost should be provided. The maximum allowable mileage charge is the reimbursement rate allowed by the Internal Revenue Service at the time the expense is incurred.
- C. Other travel - Where a trip requires expenses such as meals or lodging, the detail of all the individual expenses, such as meals and lodging as well as transportation, shall be clearly set out in such a manner that the expense of the total trip might be easily ascertained. The description of such an expense shall include sufficient information to indicate how the expense benefitted the estate.

If transportation expenses, other than mileage, are incurred, the cost shall be clearly shown. If air or rail travel is used in lieu of automobile, the cost difference between the alternative method and mileage should be calculated and clearly shown. Such a calculation shall include both the cost of the travel time (hours times rate for one method versus hours times rate for the other) and expense (ticket price versus mileage) of travel. Where a substantial difference exists between the alternative methods and the more

expensive method is used, the choice should be justified and the benefit to the estate clearly set out.

For travel expenses, other than transportation, such as meals or lodging, each expense item should be set out separately and summarized as discussed above. A single entry for the total expense of a trip will not be considered to be adequate supporting detail.

- D. Express mail, and fax services - The use of accelerated methods of delivery are often necessary and of a benefit to the estate. Such services should only be used when necessary, and such use should be reasonable. The maximum allowable cost for incoming faxes is .20/page. The maximum allowable cost for outgoing faxes is \$1.00/page.

**8. Copies of Fee Applications to Office of Bankruptcy Administrator:**

Fee applicants or their respective counsel shall ensure that without exception copies of all fee applications filed with the Bankruptcy Clerk's office are served upon the office of the Bankruptcy Administrator by mailing same to the Office of the Bankruptcy Administrator, Post Office Box 3758, Wilson, North Carolina 27895-3758 (Wilson division cases) and to Office of the Bankruptcy Administrator, Post Office Box 3039, Century Station, Raleigh, North Carolina 27602-3039 (Raleigh division cases). The Bankruptcy Administrator shall be served copies of all fee applications filed by or on behalf of any professionals employed in the case **at the same time that the original**



**application is filed with the Bankruptcy Clerk.** The application itself must be served on the Bankruptcy Administrator, not just the notice. The original of all applications shall be filed with the Bankruptcy Clerk with copies only served upon the Bankruptcy Administrator; in no event shall the original of any fee application ever be filed with the office of the Bankruptcy Administrator. **Failure to serve copies of all fee applications upon the Bankruptcy Administrator and to conform with the foregoing requirements only will result in unnecessary delay.**

**9. Employment of Professional Persons/Nunc Pro Tunc:**

The court takes a strict approach to requests for employment of professional persons, nunc pro tunc, and such requests are normally denied unless extraordinary circumstances are alleged in the application which justify the nunc pro tunc relief.

**10. Representing a Chapter 11 Debtor for a Flat Fee**

Judge Small has published an opinion on the issue of flat fees in a Chapter 11 case. The opinion is In re Pineloch Enterprises, Inc., 192 B.R. 675 (Bkrcty. E.D.N.C. 1996). An attorney contemplating a flat fee arrangement should review the Pineloch case and comply with the guidelines set forth therein.

The following is a summary of the Pineloch guidelines:

1. Debtor's counsel must disclose the flat fee arrangement in the application to employ counsel.
2. Debtor's counsel must maintain the fee in his/her trust account until disbursements may be made as set forth below.
3. Debtor's counsel must notice the flat fee agreement and all details of the agreement must be noticed to all creditors.
4. Debtor's counsel may transfer into his/her operating account 1/3 of the fee after the Section 341 hearing is conducted.
5. Debtor's counsel may transfer into his/her operating account 1/3 of the fee after the plan is filed and the disclosure statement is conditionally approved
6. Debtor's counsel may transfer into his/her operating account the final 1/3 after the confirmation hearing is conducted.
7. No application to the court is necessary to make the above transfers.
8. If the plan is not confirmed, counsel can apply for the balance at any time after the confirmation hearing.

Like all other professional fee awards, the transfers from the trust account under flat fee arrangements are interim fee awards and are subject to court review if warranted.

**ITEMS REQUIRED FOR APPLICATIONS TO EMPLOY PROFESSIONALS**

1. Date of filing petition
2. Reasons for hiring the professional
3. Name of professional being hired
4. Why the specific professional was selected
5. Services to be rendered by the professional
6. The professional's connections with debtor, creditor and parties in interest, including an affirmative statement that the professional is a disinterested person pursuant to 11 U.S.C. §101(14).
7. Disclosure of fee arrangement between professional and client, including as a minimum:
  - a. amount of retainer and the date paid
  - b. statement that funds were placed into a trust account
  - c. copy of written employment agreement, if any, or if none, statement of debtor's understanding of fee arrangement
  - d. any other agreements between the parties
8. Affidavit of professional complying with Rule 2014(a), which addresses at a minimum the following items:
  - a. connections with debtor, creditors, parties in interest, etc., including a statement that the professional is a disinterested person pursuant to 11 U.S.C. §101(14) and the professional is in fact disinterested;
  - b. whether professional has previously worked for debtor, and if so, disclosure of fact; disclosure of sums owed (even if none), and waiver of claim if monies are owed;
  - c. whether professional has represented related entities, and if so, disclosure of fact; disclosure of potential conflict and disclosure if debtors have common debts or owe money to one another.

**Sample of Application to Employ Professional**  
**UNITED STATES BANKRUPTCY COURT**  
**EASTERN DISTRICT OF NORTH CAROLINA**

**IN THE MATTER OF:**

**CASE NO.:**

**Debtor(s)**

**Chapter 11**

**APPLICATION TO EMPLOY ATTORNEY**

The Application of the above-named debtor(s) respectfully represents:

1. On the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, debtor(s) filed a Petition herein under Chapter 11 of the Bankruptcy Code.
2. Your Applicant has continued in possession of the property, and your Applicant as debtor(s)-in-possession is now operating said business and managing said property.
3. Debtor(s), as debtor(s)-in-possession, wish to employ {Attorney}, an attorney duly admitted to practice in this court.
4. Your Applicant has selected {Attorney} for the reason that he has had considerable experience in matters of this character, and believes that {Attorney} is well qualified to represent said debtor(s) as debtor(s)-in-possession in this proceeding.
5. The professional services the said {attorney} is to render are:
  - (a) To give debtor(s) legal advice with respect to powers and duties as debtor(s)-in-possession in the continued operation of said business and management of the property owned;
  - (b) To prepare on behalf of your Applicant as debtor(s)-in-possession necessary applications, answers, orders, reports and other legal papers;
  - (c) To perform all other legal services for debtor(s) as debtor(s)-in-possession which may be necessary herein;
  - (d) To take necessary action, if any, to avoid liens against the debtor's property obtained by creditors and to recover preferential payments within 90 days of the filing of said petition under Chapter 11;
  - (e) To make a detailed search of the records of the Register of Deed's Office and the Clerk of Superior Court's Office in \_\_\_\_ County, North Carolina, to determine the validity of all liens filed against the property of the debtor(s).

6. To the best of debtor's knowledge, said {Attorney}, is a disinterested person, and has no connection with the creditors or any other party in interest, or their respective attorneys, and that his employment is necessary and would be in the best interest of the estate.

7. {Attorney}, Attorney has agreed to accept employment on behalf of the debtor(s)-in-possession, subject to the approval of the court, at the hourly rate of \$\_\_\_\_, plus expenses to be applied initially against a retainer of \$\_\_\_\_.

WHEREFORE, debtor prays that its employment of {Attorney}, Attorney under the terms specified to represent it as debtor(s)-in-possession in this proceeding under Chapter 11 of the Bankruptcy Court be approved.

DATED:

{Name of Debtor(s)}

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By: {Agent}

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA

IN THE MATTER OF:

CASE NO.:

Debtor(s)

Chapter 11

AFFIDAVIT OF PROPOSED ATTORNEY

I, {ATTORNEY}, Attorney, hereby make solemn oath:

1. I am an Attorney and Counsel at Law, duly admitted to practice in the State of North Carolina and in this court.

2. That I have no connection with {debtor(s)}, the above-named debtor(s), said creditors, or any other party in interest herein, or their respective attorneys.

3. I represent no interest adverse to {debtor(s)} as debtor(s)-in-possession herein, have never previously worked for the debtor(s)-in-possession, am owed no monies by said party and have never represented any related entities.

4. I am a disinterested person within the meaning of 11 U.S.C. §101(14).

5. That simultaneously with the preparation of the Chapter11 petition, the debtor paid a retainer of \$\_\_\_ into the undersigned's trust account. The letter agreement signed between the Applicant and the debtor authorizes payment for compensation at the rate of \$\_\_ per hour billable in one-tenth hour increments plus reimbursement for postage, copies, fax charges, court costs, mileage and parking reimbursement with fees to be subject to the approval of the Bankruptcy Court. There are no other fee agreements between the Applicant and debtor.

DATED:

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{Attorney}  
Attorney for Debtor(s)  
{Address}  
{City, State, Zip}  
{Telephone}

**SUGGESTED OUTLINE FOR CONFIRMATION HEARING**

The bankruptcy law requires a confirmation hearing in every Chapter 11 case. (§1128; FRBP. 2002(b)).

Many confirmation hearings are uncontested, but it is necessary in every case for the court to determine that the confirmation requirements of §1129 are met. The court also wants to know if the plan is feasible, what protections are included for recipients of future payments, and when the plan will be consummated.

The following is a suggested outline of how counsel or the Chapter 11 debtor can provide the required information to the court in an expeditious manner.

1. Counsel should
  - a. describe the general character of the plan; e.g., liquidation, partial liquidation, sale to third party, merger, continued operation (§1123(a)(5));
  - b. describe the debtor's business -- e.g., history, nature of business, highlights, principals, number of employees;
  - c. describe the debtor's problems;
  - d. describe the debtor's activities in chapter 11 -- sales of assets, salaries paid, gross sales, profit or loss, adequate protection payments;
  - e. indicate how the debtor's problems have been solved;
  - f. review operation projections, make comparisons with prior operating statements;
  - g. describe how the debtor will finance future operations;
  - h. describe the debtor's assets with an estimate of value -- indicate any change from the date of the petition (the court wants to know if the creditors' position has improved or deteriorated in Chapter 11);
  - i. review the specifics of the plan by class -- state the nature of the debts in each class (e.g., trade debt, insider loan, tort claim), state the amount in each class, identify any insider claims, review the acceptances and rejections;
  - j. state the amount, date of assessment, and specifically how the tax claims will be paid (§1129(a)(9)(A));
  - k. state the amount and how the costs of administration will be paid (§1129(a)(9)(A));
  - l. if a class is unimpaired, state why it is unimpaired (§1124);
  - m. indicate that the debtor has sufficient funds on hand to fund immediate payments required by the plan;

- n. indicate what rights are provided to claimants who are to receive future payments;
  - o. indicate the mechanics of consummation and estimate when the plan will be "substantially consummated" (§1101(2));
  - p. indicate if there are any anticipated items which will come before the court (e.g., objections to claims, valuation of collateral, approval of sales);
  - q. indicate whether the debtor is current with its Judicial Conference Quarterly Fees as required by §1129(a)(12).
2. An officer of the debtor should:
- a. indicate that all of counsel's statements are correct;
  - b. give an opinion concerning the prospects of successful operations;
  - c. give an opinion that the creditors are receiving more under the plan than they would receive in a Chapter 7 liquidation (§1129(a)(7)(a)(ii);
  - d. indicate that no payments have been made or promised to any creditors or other parties except as provided in the plan (e.g., no creditors are being paid "outside the plan");
  - e. state that all salaries paid or to be paid in the future to "insiders" have been disclosed (§1129(a)(5)(B));
  - f. identify all officers and directors who will serve after confirmation (§1129(a)(5)(A));
  - g. indicate that any rate requiring approval by a regulatory commission has been approved (§1129(a)(6));
  - h. state that all payments made or to be made for services or costs and expenses in connection with the plan or the case have been disclosed and approved, or are subject to approval (§1129(a)(4));
  - i. indicate that confirmation will not likely be followed by liquidation or the need for further reorganization (§1129(a)(11)).

This suggested outline is provided only as a guide and is not meant to be the mandatory agenda for Chapter 11 confirmation hearings.

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA**

**In Re:****Case Number:****Debtor(s)**

**Order Confirming Plan**

The plan under Chapter 11 of the Bankruptcy Code filed by the debtor on \_\_\_\_\_ (if appropriate, as amended by an amended plan filed on \_\_\_\_\_) or a summary thereof, having been transmitted to creditors and equipment security holders; and

It having been determined after hearing on notice that the requirements for confirmation set forth in 11 U.S.C. §1129(a) [or, if appropriate, 11 U.S.C. §1129(b)] have been satisfied;

**IT IS ORDERED THAT:**

1. The plan filed by the debtor, on \_\_\_\_\_ (If appropriate, as amended by an amended plan filed on \_\_\_\_\_) is CONFIRMED. A copy of the confirmed plan is attached.

2. Except as provided in this order and the debtor's plan of reorganization or in 11 U.S.C. §1141(d) of the Code, the debtor is hereby released from all dischargeable debts. [If appropriate]

3. The debtor shall file post-confirmation reports with the Clerk of the U.S. Bankruptcy Court and serve a copy thereof on the Bankruptcy Administrator pursuant to 11 U.S.C. §1106(a)(7). The first post-confirmation report shall be due on the earliest of June 30, September 30, December 31, or March 31 of the calendar year in which this plan of reorganization is confirmed. The debtor shall file subsequent reports at the end of every succeeding calendar quarter (June 30, September 30, December 31 or March 31), until the plan is substantially consummated. Quarterly reports shall reflect any progress made toward consummating the plan during the period covered by the report and shall be prepared in a format prescribed by the Bankruptcy Administrator.

4. Within thirty (30) days of substantial consummation of the plan, as defined by 11 U.S.C. §1101(2), the debtor shall file a final report, in a format prescribed by the Bankruptcy Administrator, reflecting the payments made for all costs of administration and each class of creditor, and a motion for the entry of a Final Decree pursuant to Rule No. 3022, F.R.B.P.

5. The debtor shall continue to pay quarterly fees on all disbursements pursuant to 28 U.S.C. §1930 until the case is dismissed, closed or converted to a case under another chapter.

6. The debtor shall pay to the Clerk, United States Bankruptcy Court, the sum of \$\_\_\_\_\_ for court costs.

7. The debtor shall serve a copy of this Order on all creditors within five (5) days of the entry of this Order and promptly file a Certificate of Service with the Clerk.

DATED:

\_\_\_\_\_  
United States Bankruptcy Judge



UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA

In Re:

Case Number:

Debtor(s)

**Chapter 11 Postconfirmation Report  
Pursuant to the Order Confirming Plan**

Date Plan Confirmed: \_\_\_\_\_

Effective Date of Plan: \_\_\_\_\_

Amount of Quarterly Fee (See Exhibit A attached): \_\_\_\_\_

Has fee been paid? Yes \_\_\_\_ No \_\_\_\_

**I. Payments to Creditors**

Class I

Date payments commence to this Class: \_\_\_\_\_

Is debtor in compliance with the Plan with regards to this Class?: Yes \_\_\_\_ No \_\_\_\_

If no, please provide details and indicate when distribution will be made:

Class II

Date payments commence to this Class: \_\_\_\_\_

Is debtor in compliance with the Plan with regards to this Class?: Yes \_\_\_\_ No \_\_\_\_

If no, please provide details and indicate when distribution will be made:

Class III

Date payments commence to this Class: \_\_\_\_\_

Is debtor in compliance with the Plan with regards to this Class?: Yes \_\_\_\_ No \_\_\_\_

If no, please provide details and indicate when distribution will be made:

Class IV

Date payments commence to this Class: \_\_\_\_\_

Is debtor in compliance with the Plan with regards to this Class?: Yes \_\_\_\_ No \_\_\_\_

If no, please provide details and indicate when distribution will be made:

Class V

Date payments commence to this Class: \_\_\_\_\_

Is debtor in compliance with the Plan with regards to this Class? Yes \_\_\_\_ No \_\_\_\_

If no, please provide details and indicate when distribution will be made:

(Attach sheet and provide information for all classes pursuant to the Plan)

**II. Sales of property**

Does the Plan propose the sale or transfer of property? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please list property to be sold/transferred and deadlines for which they must be sold pursuant to the plan: (s) for sale, (t) for transfer

	<u>Property</u>	<u>Date must be sold/transferred by</u>	<u>Date of sale/transfer</u>
1.			
2.			
3.			

If property has not sold by the imposed deadline, please provide details as to what steps the debtor is taking towards selling the property:

**III. Matters Pending**

1. What, if any, other specific matters does the court need to resolve prior to closing the case (i.e. adversary proceedings, claim disputes, etc.)? Please indicate the nature of each matter, and an estimated time frame that it can be resolved:

2. Provide an estimated date on which the Final Report and Motion for Final Decree can be filed:

3. If there are no matters pending listed, and the debtor does not anticipate closing the case within the next 60 days, please provide information regarding the status of closing and the steps remaining before the case can close:

## EXHIBIT A TO POSTCONFIRMATION REPORT

### ***Only complete the information for the current quarter.***

Disbursements include: Sum total of disbursements from all bank accounts. Disbursements include all disbursements for the quarter and are not limited to plan payments. Disbursements do not include transfers between accounts. Quarterly fees are not prorated.

#### **1<sup>st</sup> Quarter**

Disbursements for January, 20\_\_ : \_\_\_\_\_  
Disbursements for February, 20\_\_ : \_\_\_\_\_ Fee Due: \_\_\_\_\_  
Disbursements for March, 20\_\_ : \_\_\_\_\_

Total Disbursements for the 1<sup>st</sup> Quarter: \_\_\_\_\_

#### **2<sup>nd</sup> Quarter**

Disbursements for April, 20\_\_ : \_\_\_\_\_  
Disbursements for May, 20\_\_ : \_\_\_\_\_ Fee Due: \_\_\_\_\_  
Disbursements for June, 20\_\_ : \_\_\_\_\_

Total Disbursements for the 2<sup>nd</sup> Quarter: \_\_\_\_\_

#### **3<sup>rd</sup> Quarter**

Disbursements for July, 20\_\_ : \_\_\_\_\_  
Disbursements for August, 20\_\_ : \_\_\_\_\_ Fee Due: \_\_\_\_\_  
Disbursements for September, 20\_\_ : \_\_\_\_\_

Total Disbursements for the 3<sup>rd</sup> Quarter: \_\_\_\_\_

#### **4<sup>th</sup> Quarter**

Disbursements for October, 20\_\_ : \_\_\_\_\_  
Disbursements for November, 20\_\_ : \_\_\_\_\_ Fee Due: \_\_\_\_\_  
Disbursements for December, 20\_\_ : \_\_\_\_\_

Total Disbursements for the 4<sup>th</sup> Quarter: \_\_\_\_\_

**Scale:** \$250 for disbursements less than \$15,000 for the entire quarter

\$500 for disbursements of \$15,000 or more but less than \$75,000

\$750 for disbursements of \$75,000 or more but less than \$150,000

\$1,250 for disbursements of \$150,000 or more but less than \$225,000

\$1,500 for disbursements of \$225,000 or more but less than \$300,000

\$3,750 for disbursements of \$300,000 or more but less than \$1,000,000

\$5,000 for disbursements of \$1,000,000 or more but less than \$2,000,000

\$7,500 for disbursements of \$2,000,000 or more but less than \$3,000,000

\$8,000 for disbursements of \$3,000,000 or more but less than \$5,000,000

\$10,000 for disbursements over \$5,000,000

MEMORANDUM

**TO: Debtors in Possession and Counsel**

**FROM: Bankruptcy Administrator, Eastern District of North Carolina**

**RE: Closing of Chapter 11 Cases**

The following information must be included in an application for the entry of a final decree in accordance with 11 U.S.C. §1106(a)(7). Please note, however, that this list is not comprehensive; additional information may be required under the circumstances of a particular case.

1. There has been a transfer of all or substantially all of the property proposed by the plan to be transferred;
2. There has been an assumption by the debtor or by the successor to the debtor under the plan of the business or of the management of all or substantially all of the property dealt with by the plan;
3. The debtor has commenced distribution under the plan;
4. All administrative claims have been paid in full or are current as provided pursuant to the confirmed plan of reorganization.
5. **IF THIS CASE WAS FILED ON OR AFTER APRIL 1, 2002**, ALL quarterly fees assessed by the Judicial Conference of the United States pursuant to 28 U.S.C. §1930(a)(7) have been paid in full;
6. All plan payments are current; and
7. A Final Report Pursuant to the Order Confirming Plan has been filed simultaneously herewith.

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA

**In Re:**

**Case Number:**

**Debtor(s)**

**Final Report Pursuant to Order Confirming Plan**

The undersigned counsel for the debtor files this Final Report with the court as follows:

The above debtor's Order Confirming Chapter 11 Plan of Reorganization was entered by this court on \_\_\_\_\_, 20\_\_, and the debtor is complying with the requirements of the Plan as follows:

1. Classes as set forth in confirmed plan, as modified<sup>5</sup>.

Class 1: (Indicate Name of Creditor)

- (a) proposed treatment in plan:
- (b) debtor's compliance/noncompliance with plan:

Class 2: (Indicate Name of Creditor)

- (a) proposed treatment in plan:
- (b) debtor's compliance/noncompliance with plan:

Class 3: (Indicate Name of Creditor)

- (a) proposed treatment in plan:
- (b) debtor's compliance/noncompliance with plan:

Class 4: Unsecured

- (a) proposed treatment in plan:
- (b) debtor's compliance/noncompliance with plan:

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<sup>5</sup>If the plan was modified post confirmation, please provide a description of the modified treatment of the class.

The dividend to be paid to holders of unsecured claims is \_\_\_\_%.

Other: For all claims not designated in a separate class in the plan<sup>6</sup>

(a) proposed treatment in plan:

(b) debtor's compliance/noncompliance with plan:

2. All post confirmation reports have been properly filed. All quarterly fees due based upon disbursements reported have been paid in full.

3. The Quarterly Fee due for the quarter ending (date) is enclosed with this report.

Wherefore, the undersigned prays the court for the entry of a Final Decree.

This \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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Attorney for the Debtor(s)

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<sup>6</sup>Such as administrative priority claims, tax claims and executory contracts, provide description of proposed treatment and the debtor's compliance/non-compliance with the plan.

**United States Bankruptcy Court  
Eastern District of North Carolina**

**In Re:****Case Number:****Debtor(s)**

**Final Report and Account of Chapter 11 Estate  
Upon Conversion to Chapter 7**

Pursuant to the Order of Conversion entered \_\_\_\_\_ {date} \_\_\_\_\_, the above captioned case was converted from case under Chapter 11 to a Chapter 7 case. The debtor(s), \_\_\_\_\_ name of debtor(s) \_\_\_\_\_, in the above referenced case, hereby reports the following to the court in accordance with Bankruptcy Rule 1019:

- I. All records and property of the estate under its custody and control as required by Bankruptcy Rule 1019(5) have been turned over to the Chapter 7 trustee; and
- II. The statements and schedules required by Bankruptcy Rules 1019(1)(A) and 1007(b), have been filed with the court; and
- III. The following is a summary and accounting of all receipts and disbursements:

A. RECEIPTS OF THE ESTATE

- |          |                                 |               |               |
|----------|---------------------------------|---------------|---------------|
| _____ 1. | From Sale of Real Property:     |               |               |
|          | <u>Date</u>                     | <u>Source</u> | <u>Amount</u> |
|          |                                 |               |               |
| 2.       | From Sale of Personal Property: |               |               |
|          | <u>Date</u>                     | <u>Source</u> | <u>Amount</u> |
|          |                                 |               |               |
| 3.       | From Accounts Receivable:       |               |               |
|          | <u>Date</u>                     | <u>Source</u> | <u>Amount</u> |
|          |                                 |               |               |
| _____ 4. | Other Receipts:                 |               |               |
|          | <u>Date</u>                     | <u>Source</u> | <u>Amount</u> |

B. DISBURSEMENTS FROM THE ESTATE

1. Costs of Administration:

<u>Date</u>	<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
-------------	--------------	----------------	---------------

2. Secured Creditors:

<u>Date</u>	<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
-------------	--------------	----------------	---------------

3. Other:

<u>Date</u>	<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
-------------	--------------	----------------	---------------

C. BALANCE ON HAND

Checking Account      in \_\_\_\_\_ \$ \_\_\_\_\_

Savings Account      in \_\_\_\_\_ \$ \_\_\_\_\_

Certificate of  
Deposit              in \_\_\_\_\_ \$ \_\_\_\_\_

Other                  in \_\_\_\_\_ \$ \_\_\_\_\_

Total Balance on Hand Turned Over to  
Chapter 7 Trustee:                      \$ \_\_\_\_\_

IV. The following is a schedule of all debts incurred and unpaid after commencement of Chapter 11 case but before conversion to Chapter 7 **including the name and address of each creditor:**

A. Administrative Costs:

B. Post-Petition Taxes:

C. Secured:

D. Other:

V. The following is a summary and accounting of the disposition of the property of the estate other than in the ordinary course of business:



- A. Property reflected on Chapter 11 petition disposed of since commencement of Chapter 11 case but before conversion to Chapter 7 (include the date of the Order entered authorizing such disposition):

Real	Personal	Other
<u>Property</u>	<u>Property</u>	<u>Property</u>

- B. Property acquired after commencement of Chapter 11 case but before conversion to Chapter 7, including date of acquisition and amount of consideration paid:

Real	Personal	Other
<u>Property</u>	<u>Property</u>	<u>Property</u>

- VI. {If Applicable} A Chapter 11 plan of reorganization was confirmed on \_\_\_\_\_.

- A. Detailed summary of debtor's compliance with Chapter 11 confirmed plan:  
{Breakdown by each class provided in plan}
- B. Detailed summary of debtor's noncompliance with Chapter 11 confirmed plan:  
{Breakdown by each class provided in plan}
- C. Summary of executory contracts entered into or assumed after the commencement of the Chapter 11 case but before conversion to Chapter 7:
- D. A copy of the Confirmation Order and final plan is being provided to the Chapter 7 trustee with a copy of this report

- VII. {If Applicable} A statement of intention with respect to retention or surrender of property securing consumer debts, as required by 11 U.S.C. §521(2)(A) and Bankruptcy Rule 1019(1)(B) has been filed with the court.

- VIII. {If Applicable} Pending Adversary Proceedings, Motions or Applications at the Time of Conversion to Chapter 7:

- IX. Brief Narrative as to the Status of Final Tax Returns, as in the 940, 941 and W-2's:

#### VERIFICATION

I declare under penalty of perjury that the information contained in the foregoing report is true and correct to the best of my knowledge.

Date:

\_\_\_\_\_  
Debtor

The undersigned, as counsel for the debtor, has read and reviewed the foregoing report and respectfully files the report with the Court.

Date:

\_\_\_\_\_  
Attorney for Debtor

cc: Chapter 7 Trustee  
Bankruptcy Administrator

**Office of the Bankruptcy Administrator  
for the Eastern District of North Carolina**

Exhibit R

1800F Parkwood Boulevard  
Post Office Box 3758  
Wilson, North Carolina 27895-3758  
(252) 237-6854  
(252) 237-6721 (fax)

300 Fayetteville Street Mall, Room 416  
Post Office Box 3039-Century Station  
Raleigh, North Carolina 27602-3039  
(919) 856-4886  
(919) 856-4692 (fax)

Marjorie K. Lynch  
Bankruptcy Administrator

Reply to:

**MEMO TO:** Debtor(s) in Possession, Chapter 11,  
Counsel for Debtor(s)

**FROM:** United States Bankruptcy Administrator, EDNC

**RE:** Reporting Requirements pursuant to the Order and Notice by the Court, Local Bankruptcy Rule 4002-1(b), Eastern District of North Carolina, and Chapter 11 Administrative Guidelines of the United States Bankruptcy Administrator

You, (individually, your company or your partnership) have filed for relief under Chapter 11 of the Bankruptcy Code. The goal of a Chapter 11 case is to allow you to reorganize your financial affairs through a court-approved plan of reorganization. An individual, partnership or corporation that has filed for bankruptcy under Chapter 11 is known as a “debtor-in-possession.” As a debtor-in-possession (or “DIP”) you have certain obligations and duties that you are required to perform. The Bankruptcy Administrator supervises the activities of the debtor-in-possession, to ensure that the DIP is complying with the applicable statutes and rules. As the debtor-in-possession, you or your company/partnership are required to cooperate with and be accountable to the Bankruptcy Administrator. This memo provides important information regarding your duties and obligations. The person or entity that filed the bankruptcy case is referred to as the “debtor” or the “debtor-in-possession” interchangeably throughout this memo.

**OBLIGATIONS OF THE DEBTOR-IN-POSSESSION:**

- 1. INITIAL DEBTOR INTERVIEW/INTAKE CONFERENCE:** The Bankruptcy Administrator or her representative will meet with the debtor’s representative, counsel and financial professional to review the requirements imposed upon a debtor-in-possession. The Bankruptcy Administrator will send written notification to the debtor and counsel of the date, time and location of the initial debtor interview. The notice will set forth a list of financial records the debtor is to provide to the Bankruptcy Administrator at the interview.
- 2. BOOKS OF ACCOUNT AND RECORDS:** All pre-petition books of account and records should be closed as of the date of the filing. New books of account and records should be opened by the debtor, as debtor in possession, no later than the opening of business on the next succeeding business day. The debtor should segregate on its books of account and records all taxes collected or withheld as prescribed by applicable federal, state, or local law. **If this has not been done, it should be done upon receipt of this memo.**

Regardless of the time of actual closing and opening, the date of the filing of the petition is the point of separation.

From the filing date, the new post petition books and records shall be kept in accordance with generally accepted accounting principles.

3. **BANK ACCOUNTS:** It is essential to establish a "bright line" between the debtor's pre-petition and post-petition bank accounts. Accordingly, all pre-petition bank accounts must be closed effective on the date of the filing of the debtor's Chapter 11 petition. **If this has not been done, it should be done upon receipt of this memo.** Regardless of the actual date that the pre petition accounts are closed and new DIP accounts opened, the filing date of the petition is the point of separation. New bank accounts should consist of at least a general account and a tax account. A payroll account should be maintained as necessary based upon the nature of the Chapter 11 estate. The new bank signature cards for these accounts should indicate that the debtor is "Chapter 11 Debtor-In-Possession." (The debtor's printed checks do not have to disclose this information.) The debtor must notify the Bankruptcy Administrator of the name of the bank, the bank account number, proof of closure of pre-petition accounts and copies of the signature cards for the post-petition bank accounts.
4. **COLLATERALIZATION OF ACCOUNTS:** The debtor should comply with the provisions of 11 U.S.C. § 345 regarding the deposit or investment of estate funds. Promptly after opening new bank accounts, the debtor shall submit written verification to the Bankruptcy Administrator's office of its bank account numbers, location of accounts and amount of funds deposited by completing and filing the DIP Deposit Report with the Bankruptcy Administrator. A form for reporting this information is available from the Bankruptcy Administrator's office or on the Bankruptcy Administrator's web site at [www.nceba.uscourts.gov](http://www.nceba.uscourts.gov). **THE DEBTOR SHOULD NOTIFY THE BANKRUPTCY ADMINISTRATOR'S OFFICE IF AT ANY TIME THE DEBTOR'S DEPOSITS IN ANY BANKING INSTITUTION EXCEED THE FEDERALLY INSURED AMOUNT OF \$100,000.00.**
5. **TAX ACCOUNTS AND DEPOSITS:** During the pendency of this proceeding, the debtor should segregate and hold in a separate bank account, all taxes deducted and withheld from employees (including Social Security taxes) or monies collected under any law of the United States, or any state or subdivision thereof, and the State of North Carolina.
6. **PROOF OF INSURANCE:** **Within five (5) days of the filing of the Chapter 11 voluntary petition,** the debtor should file with the Bankruptcy Administrator a verified statement or a legible copy of the declaration page showing that all of the debtor's property is insured. It is preferable that the debtor submit a legible copy of the declaration page. Either the verified statement or the declaration page should include a general description of the property insured, the name of the insurer, name and address of the issuing agent, the amount of coverage, type of insurance, date of expiration, policy number and amount of the

premium for each policy proving that all insurance on estate property and other types of insurance customarily maintained in the business engaged in by the debtor are in full force and effect. The debtor should have adequate insurance for (1) workers' compensation; (2) fire and theft; (3) vehicles; (4) liability; and (5) other needs associated with the operation of the debtor's business.

The debtor must also disclose the name of the mortgagee to the Bankruptcy Administrator if the property being insured is encumbered.

**7. PROJECTED OPERATING STATEMENT: Within ten (10) days of the filing of the voluntary petition for relief under Chapter 11**, the debtor should file a projected operating statement covering the next thirty (30) days of operation, which should include the following information:

- (a) the estimated costs of operation for the next thirty (30) days;
- (b) the most recent statement of financial position (balance sheet) and income (profit/loss) statement;
- (c) the amount of cash available for the operation;
- (d) how the debtor intends to fund the cost of operation for the next thirty (30) days; and
- (e) any additional information that is pertinent to determine the desirability of continuing the debtor's business, including a report on the anticipated use of cash collateral and need to obtain credit under 11 U.S.C. § 364(b), (c), or (d).

**8. MONTHLY OPERATING REPORT:**

- (a) The debtor is required to file monthly operating reports with the Clerk of the U.S. Bankruptcy Court and serve a copy thereof on the Bankruptcy Administrator. If a creditors committee has been appointed in the case, the debtor should serve a copy of the monthly operating report on the chairperson and attorney for the committee of unsecured creditors and any other party in interest requesting a copy. The first monthly report is due within thirty days after the filing of the petition and subsequent reports on or before the fifteenth day of each month thereafter. The first monthly operating report should include the period between the date the petition was filed and the last date of the calendar month. Subsequent reports should include the entire calendar month and are due on or before the 15th day of the following month. The monthly report must be filed in the format prescribed by the Bankruptcy Administrator. There are specific forms for corporations, individuals, and individuals engaged in business (non-wage earners). The proper form will be provided to you at the initial debtor intake conference.

(b) The monthly operating report includes:

- (1) statement of cash receipts and disbursements, prepared on a cash basis;
- (2) statement of income (profit/loss), prepared on an accrual basis;
- (3) statement of accounts payable and aged receivables;
- (4) statement of post-petition secured debt and lease payments;
- (5) certifications concerning the debtor's compliance with Local Bankruptcy Rule 4002-1(b) requirements;
- (6) narrative statements regarding the debtor's financial condition and the progress of the estate's administration;
- (7) the name, location and amount of estate funds deposited in each depository;
- (8) copies of corresponding monthly bank statements; and
- (9) quarterly fee statement.

(c) If a party other than the debtor, i.e., accountant, bookkeeper, etc., will be assisting in the preparation of the monthly operating report, the name, title, address and phone number of that responsible party should be provided to the Bankruptcy Administrator. You are urged to bring the individual who will be preparing the report to the Bankruptcy Administrator intake conference. You are cautioned, however, that the employment of an accountant requires approval by the court. (See Paragraph 12.)

**9. CASH COLLATERAL AND OBTAINING CREDIT:** A debtor may not use cash collateral except by court order or with the permission and consent of the secured creditor. "Cash collateral" consists of cash generated from the sale or liquidation of property that is subject to a pre-petition lien, such as cash from the collection of accounts receivable. All cash collateral in the debtor's possession, custody, or control should be segregated from non-cash collateral and accounted for by the debtor. A debtor may not incur post-petition secured or unsecured debt without court approval unless such debt is in the "ordinary course of the business." The debtor must receive court approval before obtaining credit or incurring debt with a priority over specified administrative expenses, sometimes referred to as a "superpriority lien."

**10. INSPECTION OF PROPERTY AND RECORDS:** The debtor must permit the Bankruptcy Administrator or her representative(s) reasonable access to the debtor's business premises, to inspect the debtor's properties, books of account and records.

**11. PAYMENT TO PRINCIPALS:** The debtor shall not compensate or pay itself or any of its partners, officers, directors or shareholders in any manner without prior approval of the court. The debtor must obtain court approval prior to making any payments to these individuals by filing an application for officer compensation.

(a) The application should state the name and position of the individual that the debtor wishes to compensate, as well as a detailed description of the job duties, the hours the individual will devote to those duties and the reasons why the debtor believes that employment of the individual is necessary to its reorganization.

(b) The application must state the amount of compensation broken down on a weekly or monthly basis and disclose all perquisites, benefits and consideration of any kind that the individual is to receive, e.g., use of company vehicles, payment of life or health insurance premiums, reimbursement of expenses.

(c) If the individual was employed by the debtor prior to the filing, the application should clearly disclose the pre-petition salary and benefits for 12 months prior to the bankruptcy filing. The debtor must provide evidence of the individual's pre-petition salary in the form of pay records, Form W-2 or other documentation.

(d) If the debtor is requesting an increase in compensation, the application should state the reason for the increase. The application must be signed under oath and the information verified. If the debtor has not already done so, the debtor must supply information regarding its financial condition and its ability to pay the compensation requested.

**12. RETENTION OF PROFESSIONALS:** The debtor may, with prior court approval, hire or retain attorneys, accountants, brokers or other professionals to assist it in its reorganization or in operating its business. Professionals must meet requirements of disinterestedness in order to be eligible to be retained by a debtor in possession. In most instances, the professional cannot be a pre-petition creditor of the debtor. In addition, the professional that is hired must prepare an affidavit making full disclosure of all connections to the debtor and the other parties in the case. The debtor may not pay the professional until (1) a court order approving his/her employment, and (2) a court order approving the amount of compensation have been entered. The exception to this rule is when the debtor makes a fee deposit or pre-petition retainer that is held in trust by the professional until the court approves payment.

**13. JUDICIAL CONFERENCE QUARTERLY FEES:**

(a) All Chapter 11 cases filed after April 1, 2002 are subject to the Judicial Conference Quarterly Fee. This fee must be paid to the Clerk of the United States Bankruptcy Court and is assessed from the filing date until the case is converted or dismissed. The fee is calculated on all disbursements the debtor makes during a calendar quarter and is due within 30 days of the end of the quarter. The minimum fee is

\$250.00, regardless of the amount actually disbursed. The debtor is responsible for the payment of these fees; no bill will be sent. All quarterly fees must be paid in full before a Chapter 11 plan can be confirmed. A table showing how to calculate the quarterly fee is attached as Exhibit 1.

- (b) All quarterly fee payments must be made to the Clerk, U.S. Bankruptcy Court. Debtor checks will not be accepted. Attorney trust account checks, cashier's check, certified funds or postal money order will be accepted, made payable to the "Clerk, U.S. Bankruptcy Court." The debtor's case number should be written on the face of the payment document. The original of the Monthly Operating Report with Quarterly Fee Statement should be filed with the clerk. Electronic filing of the Monthly Operating Report with Quarterly Fee Statement is permitted. When filing electronically, the Quarterly Fee must be paid through the use of the credit card of the debtor's attorney on file with the Clerk, U.S. Bankruptcy Court.

**14. PLAN OF REORGANIZATION AND DISCLOSURE STATEMENT:** The debtor is required to file the plan of reorganization and disclosure statement within 120 days of the date of the filing of the Chapter 11 petition. The court may require the debtor to file a plan more quickly than 120 days in a separate order entered at the conclusion of the court's Chapter 11 telephone status conference. If the debtor elects "small business" treatment under the Code, the debtor will have to submit a plan within 90 days of filing.

**15. DISCLOSURE STATEMENTS/ACCELERATED CHAPTER 11 CASES:** If the court has entered an order shortening the time for filing the plan of reorganization and disclosure statement, it is unlikely that the monthly operating reports alone will accurately predict the debtor's financial future. Therefore, to ensure that the debtor's plan is reviewed with the benefit of a clear understanding of the debtor's economic condition, the disclosure statement filed with the plan of reorganization should reflect the following financial information:

- (a) An income and expense statement for the twelve month period immediately preceding the filing of the debtor's petition;
- (b) An income and expense statement for the period since the filing of the debtor's petition along with a narrative describing any unusual increases or decreases in the debtor's income or expenses and what steps the debtor has taken while operating under the protection of the bankruptcy court to improve the profitability of its operations; and
- (c) A projected income and expense statement for the twelve months beginning with the anticipated effective date of the debtor's plan. The expense projections should include and clearly identify the debtor's payment obligations under the confirmed plan. The depth of detail required to present an accurate picture of the debtor's financial past, present, and future will depend on the size and nature



of the debtor's business and the debtor may wish to consult its counsel about the possibility of employing an accountant to assist with the preparation of this information.

16. **ORDER CONFIRMING PLAN:** Within ten (10) days after the hearing on confirmation, the debtor should file with the court a proposed Order Confirming Plan. The proposed order shall be in a format consistent with the form used in the Eastern District and should incorporate any amendments or modifications to the debtor's plan announced at the hearing on confirmation. A copy of the Order Confirming Plan utilized in the Eastern District may be obtained by contacting the Bankruptcy Administrator's office.
17. **FINAL REPORT UPON CONVERSION:** In the event that the debtor's attempts to reorganize are unsuccessful and the debtor's case is converted to one under Chapter 7, the debtor is required by Federal Rule of Bankruptcy Procedure 1019 to file a Final Report. The Report should be a complete accounting of the debtor's financial activities from the time the case was filed through the date of conversion and must be filed within fifteen (15) days following the entry of the order of conversion of the Chapter 11 case. The Final Report of Chapter 11 Estate Upon Conversion to Chapter 7 must be filed in the format prescribed by the Bankruptcy Administrator. You are encouraged to obtain this form from the Bankruptcy Administrator's office.
18. **POST CONFIRMATION REPORTS:** After the plan of reorganization has been confirmed by the court, pursuant to the Order Confirming Plan, the debtor must file postconfirmation reports. Reports are to be filed with the clerk of the U.S. Bankruptcy Court with a copy served on the Bankruptcy Administrator. Until the plan has been substantially consummated, the debtor shall file quarterly reports beginning thirty (30) days from the end of the next calendar quarter. Quarterly reports shall reflect any progress made in consummating the plan during the period covered by the report. The quarterly reports must also disclose the sum of all disbursements made during the calendar quarter upon which the Judicial Conference Quarterly Fee is calculated. The postconfirmation reports shall be filed in the format prescribed by the Bankruptcy Administrator. You are encouraged to obtain this form from the Bankruptcy Administrator's office.
19. **APPLICATION FOR FINAL DECREE AND FINAL REPORT:** When the plan has been "substantially consummated" as defined in the Bankruptcy Code, the debtor should file the application for final decree and final report. The forms for these two items are available from the Bankruptcy Administrator's office. **Substantial consummation** occurs when all of the property that is to be sold or transferred under the plan has been transferred and when payments to creditors have commenced.

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**PLEASE NOTE**

**FAILURE TO COMPLY WITH THE DUTIES AND RESPONSIBILITIES LISTED IN THIS MEMO WILL RESULT IN A MOTION TO DISMISS OR CONVERT TO A CASE UNDER CHAPTER 7 BY THE BANKRUPTCY ADMINISTRATOR. YOU ARE ENCOURAGED TO CONTACT THE BANKRUPTCY ADMINISTRATOR'S OFFICE SHOULD YOU HAVE ANY QUESTIONS REGARDING ANY OF THE INFORMATION CONTAINED IN THIS MEMO.**

**POLICY ON PURCHASING PROPERTY OF BANKRUPTCY ESTATES**

The United States Bankruptcy Court for the Eastern District of North Carolina adopts the following policy on the purchase of property from bankruptcy estates by specified insiders as set forth below. The purpose of this policy is to provide guidance to trustees, counsel and other parties in interest on the propriety of any business dealings with the bankruptcy estate.

1. Any attorney representing a debtor, debtor in possession or bankruptcy trustee, his/her partners, associates and employees are prohibited from purchasing property either directly or indirectly from the bankruptcy estate for which he or she is appointed counsel by the court.

2. Any bankruptcy trustee, and any professional employed by the trustee, including auctioneers, real estate agents, accountants and special purpose attorneys, are prohibited from purchasing property either directly or indirectly from the bankruptcy estate in which he or she serves in any of these capacities.

3. Employees, partners and associates of any bankruptcy trustee, and any professional employed by the trustee, are prohibited from purchasing property, either directly or indirectly from the bankruptcy estate.

4. Relatives of the bankruptcy trustee, attorney for trustee, the attorney for the debtor-in-possession or other professional person employed by the Chapter 11 bankruptcy estate are prohibited from purchasing property either directly or indirectly from the bankruptcy estate. Relative is defined as any person related to the individual either by marriage or within the 3<sup>rd</sup> degree of consanguinity (1<sup>st</sup> cousins).

5. Relatives of law partners, associates or employees of persons restricted from dealing in the property of a bankruptcy estate are not prohibited *per se* from purchasing property of the estate. However they remain subject to any prohibition on such conduct found in relevant statutory or case law.

**CHAPTER 11 CHECKLIST WITH ESTABLISHED TIME REQUIREMENTS**

The following topics address the basic requirements and time frames of which a Chapter 11 debtor in possession should be aware prior to filing a Chapter 11 petition. Failure to abide by these requirements may result in the dismissal or conversion of the Chapter 11 case or in the appointment of a Chapter 11 trustee.

- A. Chapter 11 Accelerated Petition Filed  
(List, Schedules and Statements: due within 15 days of filing petition.  
(Local Bankruptcy Rule No. 1007-1, EDNC)
- B. List of Twenty Largest Unsecured Creditors  
(Due at time of accelerated petition)  
(Local Bankruptcy Rule No. 1007-1(b), EDNC)
- C. Proof of Insurance Coverage  
(Due within 5 days of filing petition)  
(Local Bankruptcy Rule No. 4002-1(b)(1)(C), EDNC)
- D. Notification of Designated Depository  
(Due within 10 days of filing petition)  
(Local Bankruptcy Rule No. 4002-1(b)(1)(E), EDNC)
- E. Projected Operating Statement  
(Due within 10 days of filing petition)  
(Local Bankruptcy Rule No. 4002-1(b)(1)(H), EDNC)
- F. Complete Schedules and Statement of Affairs  
(Due within 15 days of filing petition; dismissal of case for failure to  
comply)  
(Local Bankruptcy Rule No. 1007-1(a), EDNC)
- G. Physical Inventory  
(Due within 30 days of filing petition)  
(Local Bankruptcy Rule 4002-1(b)(1)(G))
- H. Notice To Creditors Whose Claim is Listed in Petition as Contingent, Disputed,  
or Unliquidated  
(Due within 15 Days of filing petition)  
(Local Bankruptcy Rule No. 3001-1(c), EDNC)

- I. Employment of Professional Person  
(Local Bankruptcy Rule No. 2014-1, EDNC)  
(See also FBRP 2014, 2016, 2017)
- J. Monthly Operating Report  
(First report due within 30 days of filing petition with subsequent reports due on the 15th day of each month thereafter)  
(Local Bankruptcy Rule No. 4002-1(b)(1)(A), EDNC)
- K. Filing Claims  
(Time for filing claims - due within 90 days of 341 meeting)  
(Local Bankruptcy Rule No. 3001-1(b), EDNC)
- L. Plan and Disclosure Statement  
(Due within 120 days of filing petition or ordered by court per §105(d))  
(Local Bankruptcy Rule No. 4002-1(b)(1)(F), EDNC)
- M. Hearing on Disclosure Statement  
(Local Bankruptcy Rule No. 2015-2(2), EDNC: Notice Requirements)  
(May be combined per order of court §105(d))
- N. Approved Disclosure Statement
- O. Hearing on Confirmation of Plan  
(Local Bankruptcy Rule No. 2015-2(3), EDNC: Notice Requirements)
- P. Confirmed Plan
- Q. Submission of Order Confirming Plan  
(Submission of order confirming plan within 10 days of confirmation hearing)
- R. Post-confirmation Report  
(11 U.S.C. §1106: Due within 15 days of the end of each calendar quarter)
- S. Upon Substantial Consummation, Submission of Motion for Final Decree and Final Report  
(Substantial Consummation - 11 U.S.C. §1101(2))
- T. Entry of Final Decree